

107TH CONGRESS
1ST SESSION

S. 7

To improve public education for all children and support lifelong learning.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2001

Mr. DASCHLE (for himself, Mr. KENNEDY, Mr. DODD, Mr. BINGAMAN, Mrs. MURRAY, Mr. WELLSTONE, Mr. DORGAN, Ms. MIKULSKI, Mr. LEVIN, Mrs. CLINTON, Mr. SCHUMER, Mr. ROCKEFELLER, Mr. JOHNSON, Mr. CORZINE, Mr. BIDEN, Mr. KERRY, Mr. REED, Mr. DAYTON, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To improve public education for all children and support
lifelong learning.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Educational Excellence for All Learners Act of 2001”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—HOLDING SCHOOLS ACCOUNTABLE

Sec. 100. Short title.

Subtitle A—Helping Disadvantaged Children

Sec. 101. Reservations for accountability.

Sec. 102. Improved accountability.

Sec. 103. Comprehensive school reform.

Subtitle B—Teachers

Sec. 121. State applications.

Subtitle C—Innovative Education

Sec. 131. Requirements for State plans.

Sec. 132. Performance objectives.

Sec. 133. Report cards.

Sec. 134. Additional accountability provisions.

TITLE II—CLOSING THE ACHIEVEMENT GAP

Subtitle A—Reauthorization of Programs

Sec. 201. Authorization of appropriations.

Subtitle B—Options: Opportunities to Improve our Nation's Schools

Sec. 211. Options: Opportunities to Improve our Nation's Schools.

Subtitle C—Parental Involvement

Sec. 221. State plans.

Sec. 222. Parental assistance.

TITLE III—NATIONAL PRIORITIES WITH PROVEN
EFFECTIVENESS

Subtitle A—Qualified Teacher in Every Classroom

Sec. 301. Teacher quality.

Subtitle B—Safe, Healthy Schools and Communities

CHAPTER 1—GRANTS FOR SCHOOL RENOVATION

Sec. 311. Grants for school renovation.

Sec. 312. Charter school credit enhancement initiative.

CHAPTER 2—SCHOOL CONSTRUCTION

Sec. 321. Short title.

Sec. 322. Expansion of incentives for public schools.

Sec. 323. Application of certain labor standards on construction projects financed under public school modernization program.

Sec. 324. Employment and training activities relating to construction or reconstruction of public school facilities.

Sec. 325. Indian school construction.

CHAPTER 3—21ST CENTURY COMMUNITY LEARNING CENTERS

Sec. 331. Reauthorization.

CHAPTER 4—ENHANCEMENT OF BASIC LEARNING SKILLS

Sec. 341. Reducing class size.

Sec. 342. Reading excellence.

Sec. 343. Tutorial assistance grants.

CHAPTER 5—INTEGRATION OF TECHNOLOGY INTO THE CLASSROOM

Sec. 351. Short title.

Sec. 352. Local applications for school technology resource grants.

Sec. 353. Teacher preparation.

Sec. 354. Professional development.

TITLE IV—INDIVIDUALS WITH DISABILITIES EDUCATION ACT

Sec. 401. Full funding of IDEA.

TITLE V—MAKING HIGHER EDUCATION MORE AFFORDABLE

Sec. 501. Increase in maximum Pell grant.

Sec. 502. Deduction for higher education expenses.

1 **SEC. 2. REFERENCES.**

2 Except as otherwise expressly provided, whenever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of the Elementary and Sec-
7 ondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

8 **TITLE I—HOLDING SCHOOLS** 9 **ACCOUNTABLE**

10 **SEC. 100. SHORT TITLE.**

11 This title may be cited as the “School Improvement
12 Accountability Act”.

1 **Subtitle A—Helping Disadvantaged**
2 **Children**

3 **SEC. 101. RESERVATIONS FOR ACCOUNTABILITY.**

4 Section 1003 (20 U.S.C. 6303) is amended to read
5 as follows:

6 **“SEC. 1003. RESERVATION FOR ACCOUNTABILITY AND**
7 **SCHOOL IMPROVEMENT.**

8 “(a) STATE RESERVATION.—

9 “(1) IN GENERAL.—Each State educational
10 agency shall reserve 3 percent of the amount the
11 agency receives under part A for each of fiscal years
12 2002 and 2003, and 5 percent of that amount for
13 each of fiscal years 2004 through 2006, to carry out
14 paragraph (2) and to carry out its responsibilities
15 under sections 1116 and 1117, including carrying
16 out its statewide system of technical assistance and
17 providing support for local educational agencies.

18 “(2) LOCAL EDUCATIONAL AGENCIES.—Of the
19 amount reserved under paragraph (1) for any fiscal
20 year, the State educational agency shall allocate at
21 least 80 percent directly to local educational agen-
22 cies. In making allocations under this paragraph, the
23 State educational agency shall give first priority to
24 agencies, and agencies serving schools, identified for

1 corrective action or improvement under section
2 1116(c).

3 “(3) USE OF FUNDS.—Each local educational
4 agency receiving an allotment under paragraph (2)
5 shall use the allotment to—

6 “(A) carry out corrective action, as defined
7 in section 1116(c)(5)(A), in those schools; or

8 “(B) achieve substantial improvement in
9 the performance of those schools.

10 “(b) NATIONAL ACTIVITIES.—From the total amount
11 appropriated for any fiscal year to carry out this title, the
12 Secretary may reserve not more than 0.30 percent to con-
13 duct evaluations and studies and to collect data.”.

14 **SEC. 102. IMPROVED ACCOUNTABILITY.**

15 (a) STATE PLANS.—Section 1111(b) (20 U.S.C.
16 6311(b)) is amended—

17 (1) in the subsection heading, by striking “AND
18 ASSESSMENTS” and inserting “, ASSESSMENTS, AND
19 ACCOUNTABILITY”;

20 (2) by amending paragraph (2) to read as fol-
21 lows:

22 “(2) ADEQUATE YEARLY PROGRESS.—(A) Each
23 State plan shall specify what constitutes adequate
24 yearly progress in student achievement, under the
25 State’s accountability system described in paragraph

(4), for each school and each local educational agency receiving funds under this part, and for the State.

“(B) The specification of adequate yearly progress in the State plan for schools—

“(i) shall be based primarily on the standards described in paragraph (1) and the valid and reliable assessments aligned to State standards described in paragraph (3);

“(ii) shall include specific numerical adequate yearly progress requirements in each subject and grade included in the State assessments at least for each of the assessments required under paragraph (3) and shall base the numerical goal required for each group of students specified in clause (iv) upon a timeline that ensures all students meet or exceed the proficient level of performance on the assessments required by this section within 10 years after the effective date of the School Improvement Accountability Act;

“(iii) shall include other academic indicators, such as school completion or dropout rates, with the data for all such academic indicators disaggregated as required by clause (iv), but the inclusion of such indicators shall not

1 decrease the number of schools or local edu-
2 cational agencies that would be subject to iden-
3 tification for improvement or corrective action if
4 the indicators were not included;

5 “(iv) shall compare separately data for the
6 State as a whole, for each local educational
7 agency, and for each school, regarding the per-
8 formance and progress of students,
9 disaggregated by each major ethnic and racial
10 group, by English proficiency status, and by
11 economically disadvantaged students as com-
12 pared with students who are not economically
13 disadvantaged (except that such disaggregation
14 shall not be required in a case in which the
15 number of students in a category would be in-
16 sufficient to yield statistically reliable informa-
17 tion or the results would reveal individually
18 identifiable information about individual stu-
19 dents); and

20 “(v) shall compare the proportion of stu-
21 dents at the basic, proficient, and advanced lev-
22 els of performance in a grade for a year with
23 the proportion of students at each of the 3 lev-
24 els in the same grade in the previous year.

1 “(C)(i) Adequate yearly progress for a local
2 educational agency shall be based upon both—

3 “(I) the number or percentage of schools
4 identified for school improvement or corrective
5 action; and

6 “(II) the progress of the local educational
7 agency in reducing the number or length of
8 time schools are identified for school improve-
9 ment or corrective action.

10 “(ii) The State plan shall provide that each
11 local educational agency shall ensure that, not later
12 than the end of the fourth academic year after the
13 effective date of the School Improvement Account-
14 ability Act, the percentage of schools making ade-
15 quate yearly progress among schools whose con-
16 centrations of poor children are greater than the av-
17 erage concentration of such children served by the
18 local educational agency shall not be less than the
19 percentage of schools making adequate yearly
20 progress among schools whose concentrations of poor
21 children are less than the average concentration of
22 such children served by the local educational agency.

23 “(D)(i) Adequate yearly progress for a State
24 shall be based upon both—

1 “(I) the number or percentage of local edu-
 2 cational agencies identified for improvement or
 3 corrective action; and

4 “(II) the progress of the State in reducing
 5 the number or length of time local educational
 6 agencies are identified for improvement or cor-
 7 rective action.

8 “(ii) The State plan shall provide that the State
 9 shall ensure that, not later than the end of the
 10 fourth academic year after the effective date of the
 11 School Improvement Accountability Act, the percent-
 12 age of local educational agencies making adequate
 13 yearly progress among local educational agencies
 14 whose concentrations of poor children are greater
 15 than the State average of such concentrations shall
 16 not be less than the percentage of local educational
 17 agencies making adequate yearly progress among
 18 local educational agencies whose concentrations of
 19 poor children are less than the State average.”;

20 (3) in paragraph (3)—

21 (A) in the matter preceding subparagraph

22 (A)—

23 (i) by striking “developed or adopted”

24 and inserting “in place”; and

1 (ii) by inserting “, not later than the
 2 school year 2000–2001,” after “will be
 3 used”;

4 (B) by redesignating subparagraphs (G),
 5 (H), and (I) as subparagraphs (H), (I), and
 6 (J);

7 (C) in subparagraph (F)—

8 (i) in clause (ii), by striking “and”
 9 after the semicolon; and

10 (ii) by adding at the end the fol-
 11 lowing:

12 “(iv) the use of assessments written in
 13 Spanish for the assessment of Spanish-
 14 speaking students with limited English
 15 proficiency, if Spanish-language assess-
 16 ments are more likely than English lan-
 17 guage assessments to yield accurate and
 18 reliable information regarding what those
 19 students know and can do in content areas
 20 other than English; and

21 “(v) notwithstanding clauses (iii) and
 22 (iv), the assessment (using tests written in
 23 English) of reading or language arts of
 24 any student who has attended school in the
 25 United States (not including Puerto Rico)

1 for 3 or more consecutive years, for pur-
2 poses of school accountability;”;

3 (D) by inserting after subparagraph (F)
4 the following:

5 “(G) result in a report from each local
6 educational agency that indicates the number
7 and percentage of students excluded from each
8 assessment at each school, including, where sta-
9 tistically sound, data disaggregated in accord-
10 ance with subparagraph (J), except that a local
11 educational agency shall be prohibited from pro-
12 viding such information if providing the infor-
13 mation would reveal the identity of any indi-
14 vidual student.”; and

15 (E) by amending subparagraph (I) (as so
16 redesignated) to read as follows:

17 “(I) provide individual student interpretive
18 and descriptive reports, which shall include
19 scores and other information on the attainment
20 of student performance standards that reflect
21 the quality of daily instruction and learning
22 such as measures of student coursework over
23 time, student attendance rates, student dropout
24 rates, and rates of student participation in ad-
25 vanced level courses; and“;

1 (4) by striking paragraph (7);

2 (5) by redesignating paragraphs (4), (5), (6),
3 and (8) as paragraphs (8), (9), (10), and (11), re-
4 spectively;

5 (6) by inserting after paragraph (3) the fol-
6 lowing:

7 “(4) ACCOUNTABILITY.—(A) Each State plan
8 shall demonstrate that the State has developed and
9 is implementing a statewide accountability system
10 that is or will be effective in substantially increasing
11 the numbers and percentages of all students, includ-
12 ing the lowest performing students, economically dis-
13 advantaged students, and students with limited pro-
14 ficiency in English, who meet the State’s proficient
15 and advanced levels of performance within 10 years
16 after the date of enactment of the School Improve-
17 ment Accountability Act. The State accountability
18 system shall—

19 “(i) be the same accountability system the
20 State uses for all schools or all local educational
21 agencies in the State, if the State has an ac-
22 countability system for all schools or all local
23 educational agencies in the State;

24 “(ii) hold local educational agencies and
25 schools accountable for student achievement in

1 at least reading and mathematics and in any
2 other subject that the State may choose; and

3 “(iii) identify schools and local educational
4 agencies for improvement or corrective action
5 based upon failure to make adequate yearly
6 progress as defined in the State plan pursuant
7 to paragraph (2).

8 “(B) The accountability system described in
9 subparagraph (A) and described in the State plan
10 shall also include a procedure for identifying for im-
11 provement a school or local educational agency, in-
12 tervening in that school or agency, and (if that
13 intervention is not effective) implementing a correc-
14 tive action not later than 3 years after first identi-
15 fying such agency or school, that—

16 “(i) complies with sections 1116 and 1117,
17 including the provision of technical assistance,
18 professional development, and other capacity-
19 building as needed, to ensure that schools and
20 local educational agencies so identified have the
21 resources, skills, and knowledge needed to carry
22 out their obligations under sections 1114 and
23 1115 and to meet the requirements for ade-
24 quate yearly progress described in paragraph
25 (2); and

1 “(ii) includes rigorous criteria for identi-
 2 fying those agencies and schools based upon
 3 failure to make adequate yearly progress in stu-
 4 dent achievement in accordance with paragraph
 5 (2).

6 “(5) PUBLIC NOTICE AND COMMENT.—Each
 7 State plan shall contain assurances that—

8 “(A) in developing the State plan provi-
 9 sions relating to adequate yearly progress, the
 10 State diligently sought public comment from a
 11 range of institutions and individuals in the
 12 State with an interest in improved student
 13 achievement; and

14 “(B) the State will continue to make a
 15 substantial effort to ensure that information re-
 16 garding this part is widely known and under-
 17 stood by citizens, parents, teachers, and school
 18 administrators throughout the State, and is
 19 provided in a widely read or distributed me-
 20 dium.

21 “(6) ANNUAL REVIEW.—The State plan shall
 22 provide an assurance that the State will annually
 23 submit to the Secretary information, as part of the
 24 State’s consolidated plan under section 14302, on
 25 the extent to which schools and local educational

1 agencies are making adequate yearly progress, in-
2 cluding the number and names of schools and local
3 educational agencies identified for improvement and
4 corrective action under section 1116, the steps taken
5 to address the performance problems of such schools
6 and local educational agencies, and the number and
7 names of schools that are no longer so identified, for
8 purposes of determining State and local compliance
9 with section 1116.

10 “(7) PENALTIES.—(A) The State plan shall
11 provide that, if the State fails to meet the deadlines
12 described in paragraphs (1)(C) and (10) for dem-
13 onstrating that the State has in place high-quality
14 State content and student performance standards
15 and aligned assessments, or if the State fails to es-
16 tablish a system for measuring and monitoring ade-
17 quate yearly progress, for a fiscal year, including
18 having the ability to disaggregate student achieve-
19 ment data for the assessments as required under
20 this section at the State, local educational agency,
21 and school levels, then the State shall be ineligible
22 to reserve a greater amount of administrative funds
23 under section 1003 for the succeeding fiscal year
24 than the State reserved for such purposes for the

1 fiscal year preceding the fiscal year in which the fail-
2 ure occurred.

3 “(B)(i) The State plan shall provide that, ex-
4 cept as described in clause (ii), if the State fails to
5 meet the deadlines described in paragraphs (1)(C)
6 and (10) for a fiscal year, then the Secretary may
7 withhold funds made available under this part for
8 administrative expenses for the succeeding fiscal
9 year in such amount as the Secretary determines ap-
10 propriate.

11 “(ii) The State plan shall provide that, if the
12 State fails to meet the deadlines described in para-
13 graphs (1)(C) and (10) for the succeeding fiscal year
14 or a subsequent fiscal year, the Secretary shall with-
15 hold not less than $\frac{1}{5}$ of the funds made available
16 under this part for administrative expenses for the
17 fiscal year.

18 “(C) The State plan shall provide that, if the
19 State has not developed challenging State assess-
20 ments that are aligned to challenging State content
21 standards in at least mathematics and reading or
22 language arts by school year 2000–2001, the State
23 shall not be eligible for designation as an Ed-Flex
24 Partnership State under the Education Flexibility
25 Partnership Act of 1999 until the State develops

1 such assessments, and the State shall be subject to
 2 such other penalties as are provided in this Act for
 3 failure to develop the assessments.”; and

4 (7) by adding at the end the following:

5 “(12) SCHOOL REPORTS.—The State plan shall
 6 provide that individual school reports publicized and
 7 disseminated under section 1116(a)(2) shall include
 8 information on the total number of students ex-
 9 cluded from each assessment at each school, includ-
 10 ing, where statistically sound, data disaggregated in
 11 accordance with paragraph (3)(J), and shall include
 12 information on why such students were excluded
 13 from the assessment. In issuing this report, a local
 14 educational agency may not provide any information
 15 that would violate the privacy or reveal the identity
 16 of any individual student.”.

17 (b) ASSURANCES.—Section 1112(c)(1) (20 U.S.C.
 18 6312(c)(1)) is amended—

19 (1) in subparagraph (G), by striking “; and”
 20 and inserting a semicolon;

21 (2) in subparagraph (H), by striking the period
 22 and inserting “; and”; and

23 (3) by adding at the end the following:

24 “(I) ensure, through incentives for vol-
 25 untary transfers, the provision of professional

1 development, and recruitment programs, that
 2 low-income students and minority students are
 3 not taught at higher rates than other students
 4 by unqualified, out-of-field, or inexperienced
 5 teachers.”.

6 (c) ASSESSMENT AND IMPROVEMENT.—Section 1116
 7 (20 U.S.C. 6317) is amended—

8 (1) by amending subsection (a) to read as fol-
 9 lows:

10 “(a) STATE AND LOCAL REVIEW.—

11 “(1) IN GENERAL.—Each local educational
 12 agency receiving funds under this part shall use the
 13 State assessments and other academic indicators de-
 14 scribed in the State plan or in a State-approved local
 15 educational agency plan to review annually the
 16 progress of each school served under this part by the
 17 agency to determine whether the school is making
 18 the adequate yearly progress specified in section
 19 1111(b)(2) toward enabling all students to meet the
 20 State’s student performance standards described in
 21 the State plan.

22 “(2) PUBLICATION AND DISSEMINATION; RE-
 23 SULTS.—Each local educational agency receiving
 24 funds under this part shall—

“(A) publicize and disseminate in individual school reports that include statistically sound results disaggregated in the same manner as results are disaggregated under section 1111(b)(3)(J), to teachers and other staff, parents, students, and the community, the results of the annual review under paragraph (1) and (if not already included in the review), graduation rates, attendance rates, retention rates, and rates of participation in advanced level courses, for all schools served under this part; and

“(B) provide the results of the annual review to schools served by the agency under this part so that the schools can continually refine their programs of instruction to help all students served under this part in those schools to meet the State’s student performance standards.”;

(2) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

“(1) IN GENERAL.—(A) A local educational agency shall identify for school improvement any school served under this part that—

“(i) for 2 consecutive years failed to make adequate yearly progress as defined in the State’s plan under section 1111, except that in the case of a school participating in a targeted assistance program under section 1115, a local educational agency may review the progress of only those students in such school who are served under this part; or

“(ii) was identified for school improvement under this section on the day preceding the date of enactment of the School Improvement Accountability Act.

“(B) The 2-year period described in subparagraph (A)(i) shall include any continuous period of time immediately preceding the date of the enactment of such Act, during which a school did not make adequate yearly progress as defined in the State’s plan, as such plan was in effect on the day preceding the date of enactment.”;

(B) by amending paragraph (2) to read as follows:

“(2) REQUIREMENTS.—(A)(i) Each school identified under paragraph (1)(A) shall promptly notify a parent of each student enrolled in the school that the school was identified for improvement by the

1 local educational agency and provide with the
2 notification—

3 “(I) the reasons for such identification;
4 and

5 “(II) information about opportunities for
6 parents to participate in the school improve-
7 ment process.

8 “(ii) The notification under this subparagraph
9 shall be in a format and, to the extent practicable,
10 in a language, that the parents can understand.

11 “(B)(i) Before identifying a school for school
12 improvement under paragraph (1)(A), the local edu-
13 cational agency shall inform the school that the
14 agency proposes to identify the school for school im-
15 provement and provide the school with an oppor-
16 tunity to review the school-level data, including as-
17 sessment data, upon which the proposed determina-
18 tion regarding identification is based.

19 “(ii) If the school believes that the proposed
20 identification is in error for statistical or other sub-
21 stantive reasons, the school may provide supporting
22 evidence to the local educational agency during the
23 review period, and the agency shall consider such
24 evidence before making a final determination regard-
25 ing identification.

1 “(iii) The review period under this subpara-
2 graph shall not exceed 30 days. At the end of the
3 period, the agency shall make public a final deter-
4 mination regarding indentification of the school.

5 “(C) Each school identified under paragraph
6 (1)(A) shall, within 3 months after being so identi-
7 fied, and in consultation with parents, the local edu-
8 cational agency, and the school support team or
9 other outside experts, develop or revise a school plan
10 that—

11 “(i) addresses the fundamental teaching
12 and learning needs in the school;

13 “(ii) describes the specific achievement
14 problems to be solved;

15 “(iii) includes the strategies, supported by
16 valid and reliable evidence of effectiveness, with
17 specific goals and objectives, that have the
18 greatest likelihood of improving the perform-
19 ance of participating students in meeting the
20 State’s student performance standards;

21 “(iv) explains how those strategies will
22 work to address the achievement problems iden-
23 tified under clause (ii), including providing a
24 summary of evaluation-based evidence of stu-

1 dent achievement after implementation of those
2 strategies in other schools;

3 “(v) addresses the need for high-quality
4 staff by ensuring that all new teachers in the
5 school in programs supported with funds pro-
6 vided under this part are fully qualified;

7 “(vi) addresses the professional develop-
8 ment needs of the instructional staff of the
9 school by describing a plan for spending a min-
10 imum of 10 percent of the funds received by the
11 school under this part on professional develop-
12 ment that—

13 “(I) does not supplant professional
14 development services that the instructional
15 staff would otherwise receive; and

16 “(II) is designed to increase the con-
17 tent knowledge of teachers, build teachers’
18 capacity to align classroom instruction
19 with challenging content standards, and
20 bring all students in the school to pro-
21 ficient or advanced levels of performance;

22 “(vii) identifies specific goals and objec-
23 tives the school will undertake for making ade-
24 quate yearly progress, including specific numer-
25 ical performance goals and targets that are

1 high enough to ensure that all groups of stu-
2 dents specified in section 1111(b)(2)(B)(iv)
3 meet or exceed the proficient levels of perform-
4 ance in each subject area within 10 years after
5 the date of enactment of the School Improve-
6 ment Accountability Act; and

7 “(viii) specifies the responsibilities of the
8 school and the local educational agency, includ-
9 ing how the local educational agency will hold
10 the school accountable for, and assist the school
11 in, meeting the school’s obligations to provide
12 enriched and accelerated curricula, effective in-
13 structional methods, highly qualified profes-
14 sional development, and timely and effective in-
15 dividual assistance, in partnership with parents.

16 “(D)(i) The school shall submit the plan (in-
17 cluding a revised plan) to the local educational agen-
18 cy for approval.

19 “(ii) The local educational agency shall prompt-
20 ly subject the plan to a peer review process, work
21 with the school to revise the plan as necessary, and
22 approve the plan.

23 “(iii) The school shall implement the plan as
24 soon as the plan is approved.”;

1 (C) by amending paragraph (4) to read as
2 follows:

3 “(4) TECHNICAL ASSISTANCE.—(A) For each
4 school identified for school improvement under para-
5 graph (1)(A), the local educational agency shall pro-
6 vide technical assistance as the school develops and
7 implements the school’s plan.

8 “(B) Such technical assistance—

9 “(i) shall include information on effective
10 methods and instructional strategies that are
11 supported by valid and reliable evidence of ef-
12 fectiveness;

13 “(ii) shall be designed to strengthen the
14 core academic program for the students served
15 under this part, address specific elements of
16 student performance problems, and address
17 problems, if any, in implementing the parental
18 involvement requirements in section 1118, im-
19 plementing the professional development provi-
20 sions in section 1119, and carrying out the re-
21 sponsibilities of the school and local educational
22 agency under the plan; and

23 “(iii) may be provided directly by the local
24 educational agency, through mechanisms au-
25 thorized under section 1117, or (with the local

1 educational agency’s approval) by an institution
 2 of higher education whose teacher preparation
 3 program is not identified as low performing by
 4 its State and that is in full compliance with the
 5 requirements of section 207 of the Higher Edu-
 6 cation Act of 1965, a private nonprofit organi-
 7 zation, an educational service agency, a com-
 8 prehensive regional assistance center under part
 9 A of title XIII, or other entities with experience
 10 in helping schools improve achievement.

11 “(C) Technical assistance provided under this
 12 section by the local educational agency or an entity
 13 approved by such agency shall be supported by valid
 14 and reliable evidence of effectiveness.”;

15 (D) by amending paragraph (5) to read as
 16 follows:

17 “(5) CORRECTIVE ACTION.—In order to help
 18 students served under this part meet challenging
 19 State standards, each local educational agency shall
 20 implement a system of corrective action in accord-
 21 ance with the following:

22 “(A) In this paragraph, the term ‘correc-
 23 tive action’ means action, consistent with State
 24 and local law, that—

1 “(i) substantially and directly re-
2 sponds to the consistent academic failure
3 that caused the local educational agency to
4 take such action and to any underlying
5 staffing, curricular, or other problems in
6 the school involved; and

7 “(ii) is designed to substantially in-
8 crease the likelihood that students will per-
9 form at the proficient and advanced per-
10 formance levels.

11 “(B) After providing technical assistance
12 under paragraph (4), the local educational
13 agency—

14 “(i) may take corrective action at any
15 time with respect to a school that has been
16 identified under paragraph (1)(A);

17 “(ii) shall take corrective action with
18 respect to any school that fails to make
19 adequate yearly progress, as defined by the
20 State, for 2 consecutive years following the
21 school’s identification under paragraph
22 (1)(A), at the end of the second year; and

23 “(iii) shall continue to provide tech-
24 nical assistance while instituting any cor-
25 rective action under clause (i) or (ii).

1 “(C) In the case of a school described in
2 subparagraph (B)(ii), the local educational
3 agency—

4 “(i) shall take corrective action that
5 changes the school’s administration or gov-
6 ernance by—

7 “(I) instituting and fully imple-
8 menting a new curriculum, including
9 providing appropriate professional de-
10 velopment for all relevant staff, that
11 is supported by valid and reliable evi-
12 dence of effectiveness and offers sub-
13 stantial promise of improving edu-
14 cational achievement for low-per-
15 forming students;

16 “(II) restructuring the school,
17 such as by creating schools within
18 schools or other small learning envi-
19 ronments, or making alternative gov-
20 ernance arrangements (such as the
21 creation of a public charter school);

22 “(III) redesigning the school by
23 reconstituting all or part of the school
24 staff;

1 “(IV) eliminating the use of
2 noncredentialed teachers; or

3 “(V) closing the school;

4 “(ii) shall provide professional devel-
5 opment for all relevant staff, that is sup-
6 ported by valid and reliable evidence of ef-
7 fectiveness and that offers substantial
8 promise of improving student educational
9 achievement and is directly related to the
10 content area in which each teacher is pro-
11 viding instruction and the State’s content
12 and performance standards in that content
13 area; and

14 “(iii) may defer, reduce, or withhold
15 funds provided to carry out this title.

16 “(D)(i) When a local educational agency
17 has identified a school for corrective action
18 under subparagraph (B)(ii), the agency shall
19 provide all students enrolled in the school with
20 the option to transfer to another public school
21 that is within the area served by the local edu-
22 cational agency that has not been identified for
23 school improvement and provide such students
24 with transportation (or the costs of transpor-

1 tation) to such school, subject to the following
2 requirements:

3 “(I) Such transfer must be consistent
4 with State or local law.

5 “(II) If the local educational agency
6 cannot accommodate the request of every
7 student from the identified school, the
8 agency shall permit as many students as
9 possible to transfer, with such students
10 being selected at random on a nondiscrim-
11 inatory and equitable basis.

12 “(III) The local educational agency
13 may use not more than 10 percent of the
14 funds the local educational agency receives
15 through the State reservation under sec-
16 tion 1003(a)(2) to provide transportation
17 to students whose parents choose to trans-
18 fer the students to a different school under
19 this subparagraph.

20 “(ii) If all public schools served by the
21 local educational agency are identified for cor-
22 rective action, the agency shall, to the extent
23 practicable, establish a cooperative agreement
24 with another local educational agency in the
25 area to enable students served by the agency to

1 transfer to a school served by that other agen-
2 cy.

3 “(E) A local educational agency may delay,
4 for a period not to exceed 1 year, implementa-
5 tion of corrective action if the failure to make
6 adequate yearly progress was justified due to
7 exceptional or uncontrollable circumstances
8 such as a natural disaster or a precipitous and
9 unforeseen decline in the financial resources of
10 the local educational agency or school.

11 “(F) The local educational agency shall
12 publish and disseminate to parents and the
13 public in a format and, to the extent prac-
14 ticable, in a language the parents and the pub-
15 lic can understand, through such means as the
16 Internet, the media, and public agencies, infor-
17 mation on any corrective action the agency
18 takes under this paragraph.

19 “(G)(i) Before taking corrective action
20 with respect to any school under this para-
21 graph, the local educational agency shall inform
22 the school that the agency proposes to take cor-
23 rective action and provide the school with an
24 opportunity to review the school-level data, in-
25 cluding assessment data, upon which the pro-

posed determination regarding corrective action is based.

“(ii) If the school believes that the proposed determination is in error for statistical or other substantive reasons, the school may provide supporting evidence to the local educational agency during the review period, and the agency shall consider such evidence before making a final determination regarding corrective action.

“(iii) The review period under this subparagraph shall not exceed 45 days. At the end of the period, the local educational agency shall make public a final determination regarding corrective action for the school.”;

(E) by amending paragraph (6) to read as follows:

“(6) STATE EDUCATIONAL AGENCY RESPONSIBILITIES.—If a State educational agency determines that a local educational agency failed to carry out its responsibilities under this section, the State educational agency shall take such action as the agency finds necessary, consistent with this section, to improve the affected schools and to ensure that the local educational agency carries out its responsibilities under this section.”; and

1 (F) by amending paragraph (7) to read as
 2 follows:

3 “(7) WAIVERS.—The State educational agency
 4 shall review any waivers that have previously been
 5 approved for a school identified for improvement or
 6 corrective action, and shall terminate any waiver ap-
 7 proved by the State, under the Educational Flexi-
 8 bility Partnership Act of 1999, if the State deter-
 9 mines, after notice and an opportunity for a hearing,
 10 that the waiver is not helping such school make ade-
 11 quate yearly progress toward meeting the goals, ob-
 12 jectives, and performance targets in the school’s im-
 13 provement plan.”; and

14 (3) by amending subsection (d) to read as fol-
 15 lows:

16 “(d) STATE REVIEW AND LOCAL EDUCATIONAL
 17 AGENCY IMPROVEMENT.—

18 “(1) IN GENERAL.—A State educational agency
 19 shall annually review the progress of each local edu-
 20 cational agency receiving funds under this part to
 21 determine whether schools receiving assistance under
 22 this part are making adequate yearly progress as de-
 23 fined in section 1111(b)(2) toward meeting the
 24 State’s student performance standards.

1 “(2) IDENTIFICATION OF LOCAL EDUCATIONAL
2 AGENCY FOR IMPROVEMENT.—A State educational
3 agency shall identify for improvement any local edu-
4 cational agency that—

5 “(A) for 2 consecutive years failed to make
6 adequate yearly progress as defined in the
7 State’s plan under section 1111(b)(2); or

8 “(B) was identified for improvement under
9 this section as this section was in effect on the
10 day preceding the date of enactment of the
11 School Improvement Accountability Act.

12 “(3) TRANSITION.—The 2-year period described
13 in paragraph (2)(A) shall include any continuous pe-
14 riod of time immediately preceding the date of en-
15 actment of such Act, during which a local edu-
16 cational agency did not make adequate yearly
17 progress as defined in the State’s plan, as such plan
18 was in effect on the day preceding the date of enact-
19 ment.

20 “(4) TARGETED ASSISTANCE SCHOOLS.—For
21 purposes of reviewing the progress of targeted as-
22 sistance schools served by a local educational agency,
23 a State educational agency may choose to review the
24 progress of only the students in such schools who
25 are served under this part.

1 “(5) OPPORTUNITY TO REVIEW AND PRESENT
2 EVIDENCE.—(A) Before identifying a local edu-
3 cational agency for improvement under paragraph
4 (2), a State educational agency shall inform the local
5 educational agency that the State educational agency
6 proposes to identify the local educational agency for
7 improvement and provide the local educational agen-
8 cy with an opportunity to review the local edu-
9 cational agency data, including assessment data,
10 upon which the proposed determination regarding
11 identification is based.

12 “(B) If the local educational agency believes
13 that the proposed identification is in error for statis-
14 tical or other substantive reasons, the agency may
15 provide supporting evidence to the State educational
16 agency during the review period, and the agency
17 shall consider such evidence before making a final
18 determination regarding identification.

19 “(C) The review period under this paragraph
20 shall not exceed 30 days. At the end of the period,
21 the State shall make public a final determination re-
22 garding identification of the local educational agen-
23 cy.

24 “(6) NOTIFICATION TO PARENTS.—(A) The
25 local educational agency shall promptly notify a par-

ent of each student enrolled in a school served by a local educational agency identified for improvement that the agency was identified for improvement and provide with the notification—

(i) the reasons for the agency’s identification; and

(ii) information about opportunities for parents to participate in upgrading the quality of the local educational agency.

“(B) The notification under this paragraph shall be in a format and, to the extent practicable, in a language, that the parents can understand.

“(7) LOCAL EDUCATIONAL AGENCY REVISIONS.—(A) Each local educational agency identified under paragraph (2) shall, not later than 3 months after being so identified, develop or revise a local educational agency plan and annual academic achievement goals, in consultation with parents, school staff, and others.

“(B) ACHIEVEMENT GOALS.—The annual academic achievement goals shall be sufficiently high to ensure that all students within the jurisdiction involved, including the lowest performing students, economically disadvantaged students, students of different races and ethnicities, and students with lim-

1 ited English proficiency will meet or exceed the pro-
 2 ficient level of performance on the assessments re-
 3 quired by section 1111 within 10 years after the
 4 date of enactment of the School Improvement Ac-
 5 countability Act.

6 “(C) The plan shall—

7 “(i) address the fundamental teaching and
 8 learning needs in the schools served by that
 9 agency, and the specific academic problems of
 10 low-performing students, including stating a de-
 11 termination of why the local educational agen-
 12 cy’s prior plan, if any, failed to bring about in-
 13 creased achievement;

14 “(ii) incorporate strategies that are sup-
 15 ported by valid and reliable evidence of effec-
 16 tiveness and that strengthen the core academic
 17 program in the local educational agency;

18 “(iii) identify specific annual academic
 19 achievement goals and objectives that will—

20 “(I) have the greatest likelihood of
 21 improving the performance of participating
 22 students in meeting the State’s student
 23 performance standards; and

24 “(II) include specific numerical per-
 25 formance goals and targets for each of the

1 groups of students for which data are
2 disaggregated pursuant to section
3 1111(b)(2)(B)(iv);

4 “(iv) address the professional development
5 needs of the instructional staff of the schools by
6 describing a plan for spending a minimum of
7 10 percent of the funds received by the schools
8 under this part on professional development
9 that—

10 “(I) does not supplant professional
11 development services that the instructional
12 staff would otherwise receive; and

13 “(II) is designed to increase the con-
14 tent knowledge of teachers, build teachers’
15 capacity to align classroom instruction
16 with challenging content standards, and
17 bring all students in the schools to pro-
18 ficient or advanced levels of performance;

19 “(v) identify measures the local edu-
20 cational agency will undertake to make ade-
21 quate yearly progress;

22 “(vi) identify how, pursuant to paragraph
23 (6), the local educational agency will provide
24 written notification to parents in a format and,

1 to the extent practicable, in a language the par-
 2 ents can understand;

3 “(vii) specify the responsibilities of the
 4 State educational agency and the local edu-
 5 cational agency under the plan; and

6 “(viii) include strategies to promote effec-
 7 tive parental involvement in the schools.

8 “(D) The local educational agency shall submit
 9 the plan (including a revised plan) to the State edu-
 10 cational agency for approval. The State educational
 11 agency shall, within 60 days after submission of the
 12 plan, subject the plan to a peer review process, work
 13 with the local educational agency to revise the plan
 14 as necessary, and approve the plan.

15 “(E) The local educational agency shall imple-
 16 ment the plan (including a revised plan) as soon as
 17 the plan is approved.

18 “(8) STATE EDUCATIONAL AGENCY RESPONSIBI-
 19 LITY.—(A) For each local educational agency
 20 identified under paragraph (2), the State edu-
 21 cational agency (or an entity authorized by the agen-
 22 cy) shall provide technical or other assistance, if re-
 23 quested, as authorized under section 1117, to better
 24 enable the local educational agency—

1 “(i) to develop and implement the local
2 educational agency plan as approved by the
3 State educational agency consistent with the re-
4 quirements of this section; and

5 “(ii) to work with schools identified for im-
6 provement.

7 “(B) Technical assistance provided under this
8 section by the State educational agency or an entity
9 authorized by the agency shall be supported by valid
10 and reliable evidence of effectiveness.

11 “(9) CORRECTIVE ACTION.—In order to help
12 students served under this part meet challenging
13 State standards, each State educational agency shall
14 implement a system of corrective action in accord-
15 ance with the following:

16 “(A) In this paragraph, the term ‘correc-
17 tive action’ means action, consistent with State
18 law, that—

19 “(i) substantially and directly re-
20 sponds to the consistent academic failure
21 that caused the State educational agency
22 to take such action and to any underlying
23 staffing, curricular, or other problems in
24 the schools involved; and

1 “(ii) is designed to substantially in-
2 crease the likelihood that students served
3 under this part will perform at the pro-
4 ficient and advanced performance levels.

5 “(B) After providing technical assistance
6 under paragraph (8) and subject to subpara-
7 graph (D), the State educational agency—

8 “(i) may take corrective action at any
9 time with respect to a local educational
10 agency that has been identified under
11 paragraph (2);

12 “(ii) shall take corrective action with
13 respect to any local educational agency
14 that fails to make adequate yearly
15 progress, as defined by the State, for 3
16 consecutive years following the agency’s
17 identification under paragraph (2), at the
18 end of the third year; and

19 “(iii) shall continue to provide tech-
20 nical assistance while instituting any cor-
21 rective action under clause (i) or (ii).

22 “(C) In the case of a local educational
23 agency described in subparagraph (B)(ii), the
24 State educational agency shall take at least 1 of
25 the following corrective actions:

1 “(i) Withholding funds from the local
2 educational agency.

3 “(ii) Reconstituting school district
4 personnel.

5 “(iii) Removing particular schools
6 from the jurisdiction of the local edu-
7 cational agency and establishing alter-
8 native arrangements for public governance
9 and supervision of the schools.

10 “(iv) Appointing, through the State
11 educational agency, a receiver or trustee to
12 administer the affairs of the local edu-
13 cational agency in place of the super-
14 intendent and school board.

15 “(v) Abolishing or restructuring the
16 local educational agency.

17 “(D) When a State educational agency has
18 identified a local educational agency for correc-
19 tive action under subparagraph (B)(ii), the
20 State educational agency shall provide all stu-
21 dents enrolled in a school served by the local
22 educational agency with a plan to transfer to a
23 higher performing public school served by an-
24 other local educational agency and shall provide
25 such students with transportation (or the costs

1 of transportation) to such schools, subject to
2 the following requirements:

3 “(i) The provision of the transfer shall
4 be done in conjunction with at least 1 ad-
5 ditional action described in this paragraph.

6 “(ii) If the State educational agency
7 cannot accommodate the request of every
8 student from the schools served by the
9 agency, the agency shall permit as many
10 students as possible to transfer, with such
11 students being selected at random on a
12 nondiscriminatory and equitable basis.

13 “(iii) The State educational agency
14 may use not more than 10 percent of the
15 funds the agency receives through the
16 State reservation under section 1003(a)(2)
17 to provide transportation to students
18 whose parents choose to transfer their
19 child to a different school under this sub-
20 paragraph.

21 “(E) Prior to implementing any corrective
22 action under this paragraph, the State edu-
23 cational agency shall provide due process and a
24 hearing to the affected local educational agency,
25 if State law provides for such process and hear-

1 ing. The hearing shall take place not later than
2 45 days following the decision to implement the
3 corrective action.

4 “(F) The State educational agency shall
5 publish and disseminate to parents and the
6 public in a format and, to the extent prac-
7 ticable, in a language the parents and the pub-
8 lic can understand, through such means as the
9 Internet, the media, and public agencies, infor-
10 mation on any corrective action the agency
11 takes under this paragraph.

12 “(G) A State educational agency may
13 delay, for a period not to exceed 1 year, imple-
14 mentation of corrective action if the failure to
15 make adequate yearly progress was justified
16 due to exceptional or uncontrollable cir-
17 cumstances such as a natural disaster or a pre-
18 cipitous and unforeseen decline in the financial
19 resources of the local educational agency.

20 “(10) WAIVERS.—The State educational agency
21 shall review any waivers that have previously been
22 approved for a local educational agency identified for
23 improvement or corrective action, and shall termi-
24 nate any waiver approved by the State, under the
25 Educational Flexibility Partnership Act of 1999, if

1 the State determines, after notice and an oppor-
 2 tunity for a hearing, that the waiver is not helping
 3 such agency make adequate yearly progress toward
 4 meeting the goals, objectives, and performance tar-
 5 gets in the agency’s improvement plan.”.

6 (d) STATE ASSISTANCE FOR SCHOOL SUPPORT AND
 7 IMPROVEMENT.—Section 1117(a) (20 U.S.C. 6318(a)) is
 8 amended to read as follows:

9 “(a) SYSTEM FOR SUPPORT.—

10 “(1) IN GENERAL.—Each State educational
 11 agency shall establish a statewide system of inten-
 12 sive and sustained support and improvement for
 13 local educational agencies and schools receiving
 14 funds under this part, in order to increase the op-
 15 portunity for all students served by those agencies
 16 and schools to meet the State’s content standards
 17 and student performance standards.

18 “(2) PRIORITIES.—In carrying out this section,
 19 a State educational agency shall—

20 “(A) provide support and assistance to
 21 local educational agencies and schools identified
 22 for corrective action under section 1116;

23 “(B) provide support and assistance to
 24 other local educational agencies and schools

1 identified for improvement under section 1116;
2 and

3 “(C) provide support and assistance to
4 each school receiving funds under this part in
5 which the number of students in poverty equals
6 or exceeds 75 percent of the total number of
7 students enrolled in such school.

8 “(3) APPROACHES.—In order to achieve the ob-
9 jectives of this subsection, each statewide system
10 shall provide technical assistance and support
11 through approaches such as—

12 “(A) use of school support teams, com-
13 posed of individuals who are knowledgeable
14 about research on and practice of teaching and
15 learning, particularly about strategies for im-
16 proving educational results for low-achieving
17 students;

18 “(B) the designation and use of ‘Distin-
19 guished Educators’, chosen from schools served
20 under this part that have been especially suc-
21 cessful in improving academic achievement;

22 “(C) assisting local educational agencies or
23 schools to implement research-based com-
24 prehensive school reform models; and

1 “(D) use of a peer review process designed
 2 to increase the capacity of local educational
 3 agencies and schools to develop high-quality
 4 school improvement plans.

5 “(4) FUNDS.—Each State educational agency—

6 “(A) shall use funds reserved under section
 7 1003(a)(1), but not used under section
 8 1003(a)(2) and funds appropriated under sec-
 9 tion 1002(f) to carry out this section; and

10 “(B) may use State administrative funds
 11 authorized for such purpose.

12 “(5) ALTERNATIVES.—The State educational
 13 agency may devise additional approaches to pro-
 14 viding the assistance described in subparagraphs (A)
 15 and (B) of paragraph (3), other than the provision
 16 of assistance under the statewide system, such as
 17 providing assistance through institutions of higher
 18 education, educational service agencies, or other
 19 local consortia. The State educational agency may
 20 seek approval from the Secretary to use funds made
 21 available under section 1003 for such approaches as
 22 part of the State plan.”.

23 (e) CONFORMING AMENDMENTS.—The 1965 (20
 24 U.S.C. 6301 et seq.) is amended—

1 (1) in section 1111(b)(1)(C) (20 U.S.C.
2 6311(b)(1)(C)), by striking “paragraph (6)” and in-
3 serting “paragraph (10)”;

4 (2) in section 1112(c)(1)(D) (20 U.S.C.
5 6312(c)(1)(D)), by striking “section 1116(c)(4)”
6 and inserting “section 1116(c)(5)”;

7 (3) in section 1117(c)(2)(A) (20 U.S.C.
8 6318(c)(2)(A)), by striking “section
9 1111(b)(2)(A)(i)” and inserting “section
10 1111(b)(2)(A)”;

11 (4) in section 1118(c)(4)(B) (20 U.S.C.
12 6319(c)(4)(B)), by striking “school performance
13 profiles required under section 1116(a)(3)” and in-
14 serting “individual school reports required under
15 section 1116(a)(2)(A)”;

16 (5) in section 1118(e)(1) (20 U.S.C.
17 6319(e)(1)), by striking “section 1111(b)(8)” and
18 inserting “section 1111(b)(11)”;

19 (6) in section 1119(h)(3) (20 U.S.C.
20 6320(h)(3)), by striking “section 1116(d)(6)” and
21 inserting “section 1116(d)(9)”.

22 **SEC. 103. COMPREHENSIVE SCHOOL REFORM.**

23 Title I (20 U.S.C. 6301 et seq.) is amended—

24 (1) by redesignating part F as part G; and

25 (2) by inserting after part E the following:

1 **“PART F—COMPREHENSIVE SCHOOL REFORM**

2 **“SEC. 1551. PURPOSE.**

3 “The purpose of this part is to provide financial in-
 4 centives for schools to develop comprehensive school re-
 5 forms based upon promising and effective practices and
 6 research-based programs that emphasize basic academics
 7 and parental involvement so that all children can meet
 8 challenging State content and student performance stand-
 9 ards.

10 **“SEC. 1552. PROGRAM AUTHORIZATION.**

11 “(a) PROGRAM AUTHORIZED.—

12 “(1) IN GENERAL.—The Secretary may award
 13 grants to State educational agencies, from allot-
 14 ments under paragraph (2), to enable the State edu-
 15 cational agencies to award subgrants to local edu-
 16 cational agencies to carry out the purpose described
 17 in section 1551.

18 “(2) ALLOTMENTS.—

19 “(A) RESERVATIONS.—Of the amount ap-
 20 propriated under section 1558 for a fiscal year,
 21 the Secretary may reserve—

22 “(i) not more than 1 percent to pro-
 23 vide assistance to schools supported by the
 24 Bureau of Indian Affairs and in the
 25 United States Virgin Islands, Guam,
 26 American Samoa, and the Commonwealth

1 of the Northern Mariana Islands according
 2 to their respective needs for assistance
 3 under this part; and

4 “(ii) not more than 1 percent to con-
 5 duct national evaluation activities de-
 6 scribed in section 1557.

7 “(B) IN GENERAL.—Of the amount appro-
 8 priated under section 1558 that remains after
 9 making the reservation under subparagraph (A)
 10 for a fiscal year, the Secretary shall allot to
 11 each State for the fiscal year an amount that
 12 bears the same ratio to the remainder for that
 13 fiscal year as the amount made available under
 14 section 1124 to the State for the preceding fis-
 15 cal year bears to the total amount made avail-
 16 able under section 1124 to all States for the
 17 preceding fiscal year.

18 “(C) REALLOTMENT.—If a State does not
 19 apply for funds under this part, the Secretary
 20 shall realLOT such funds to other States in pro-
 21 portion to the amount allotted to such other
 22 States under subparagraph (B).

23 **“SEC. 1553. STATE APPLICATIONS.**

24 “(a) IN GENERAL.—Each State educational agency
 25 that desires to receive a grant under this part shall submit

1 an application to the Secretary at such time, in such man-
2 ner, and containing such information as the Secretary may
3 reasonably require.

4 “(b) CONTENTS.—Each such application shall
5 describe—

6 “(1) the process and selection criteria by which
7 the State educational agency, using expert review,
8 will select local educational agencies to receive sub-
9 grants under this part;

10 “(2) how the State educational agency will en-
11 sure that only comprehensive school reforms that are
12 based upon promising and effective practices and re-
13 search-based programs receive funds under this part;

14 “(3) how the State educational agency will dis-
15 seminate information on comprehensive school re-
16 forms that are based upon promising and effective
17 practices and research-based programs;

18 “(4) how the State educational agency will
19 evaluate the implementation of such reforms and
20 measure the extent to which the reforms have re-
21 sulted in increased student academic performance;
22 and

23 “(5) how the State educational agency will
24 make available technical assistance to a local edu-

1 cational agency in evaluating, developing, and imple-
2 menting comprehensive school reform.

3 **“SEC. 1554. STATE USE OF FUNDS.**

4 “(a) IN GENERAL.—Except as provided in subsection
5 (e), a State educational agency that receives a grant under
6 this part shall use the grant funds to award subgrants,
7 on a competitive basis, to local educational agencies (in-
8 cluding consortia of local educational agencies) in the
9 State that receive funds under part A.

10 “(b) SUBGRANT REQUIREMENTS.—A subgrant to a
11 local educational agency shall be—

12 “(1) of sufficient size and scope to support the
13 initial costs for the particular comprehensive school
14 reform plan selected or designed by each school iden-
15 tified in the application of the local educational
16 agency;

17 “(2) in an amount not less than \$50,000 for
18 each participating school; and

19 “(3) renewable for 2 additional 1-year periods
20 after the initial 1-year grant is made, if the partici-
21 pating school is making substantial progress in the
22 implementation of reforms.

23 “(c) PRIORITY.—A State educational agency, in
24 awarding subgrants under this part, shall give priority to
25 local educational agencies that—

1 “(1) plan to use the funds in schools identified
2 for improvement or corrective action under section
3 1116(c); and

4 “(2) demonstrate a commitment to assist
5 schools with budget allocation, professional develop-
6 ment, and other strategies necessary to ensure that
7 comprehensive school reforms are properly imple-
8 mented and are sustained in the future.

9 “(d) GRANT CONSIDERATION.—In awarding sub-
10 grants under this part, the State educational agency shall
11 take into consideration the equitable distribution of sub-
12 grants to different geographic regions within the State,
13 including urban and rural areas, and to schools serving
14 elementary school and secondary school students.

15 “(e) ADMINISTRATIVE COSTS.—A State educational
16 agency that receives a grant under this part may reserve
17 not more than 5 percent of the grant funds for administra-
18 tive, evaluation, and technical assistance expenses.

19 “(f) SUPPLEMENT.—Funds made available under
20 this part shall be used to supplement, and not supplant,
21 any other Federal, State, or local funds that would other-
22 wise be available to carry out the activities assisted under
23 this part.

24 “(g) REPORTING.—Each State educational agency
25 that receives a grant under this part shall provide to the

1 Secretary such information as the Secretary may require,
 2 including the names of local educational agencies and
 3 schools receiving assistance under this part, the amount
 4 of the assistance, and a description of the comprehensive
 5 school reform model selected and used.

6 **“SEC. 1555. LOCAL APPLICATIONS.**

7 “(a) IN GENERAL.—Each local educational agency
 8 desiring a subgrant under this part shall submit an appli-
 9 cation to the State educational agency at such time, in
 10 such manner, and containing such information as the
 11 State educational agency may reasonably require.

12 “(b) CONTENTS.—Each such application shall—

13 “(1) identify the schools, that are eligible for
 14 assistance under part A, that plan to implement a
 15 comprehensive school reform program and include
 16 the projected costs of such program;

17 “(2) describe the promising and effective prac-
 18 tices and research-based programs that such schools
 19 will implement;

20 “(3) describe how the local educational agency
 21 will provide technical assistance and support for the
 22 effective implementation of the promising and effec-
 23 tive practices and research-based school reforms se-
 24 lected by such schools; and

1 “(4) describe how the local educational agency
 2 will evaluate the implementation of such reforms and
 3 measure the results achieved in improving student
 4 academic performance.

5 **“SEC. 1556. LOCAL USE OF FUNDS.**

6 “(a) USE OF FUNDS.—A local educational agency
 7 that receives a subgrant under this part shall provide the
 8 subgrant funds to schools, that are eligible for assistance
 9 under part A and served by the agency, to enable the
 10 schools to implement a comprehensive school reform pro-
 11 gram for—

12 “(1) employing innovative strategies for student
 13 learning, teaching, and school management that are
 14 based upon promising and effective practices and re-
 15 search-based programs and have been replicated suc-
 16 cessfully in schools with diverse characteristics;

17 “(2) integrating a comprehensive design for ef-
 18 fective school functioning, including instruction, as-
 19 sessment, classroom management, professional devel-
 20 opment, parental involvement, and school manage-
 21 ment, that aligns the school’s curriculum, tech-
 22 nology, and professional development into a com-
 23 prehensive reform plan for schoolwide change de-
 24 signed to enable all students to meet challenging
 25 State content and student performance standards

1 and addresses needs identified through a school
2 needs assessment;

3 “(3) providing high quality and continuous
4 teacher and staff professional development;

5 “(4) including measurable goals for student
6 performance;

7 “(5) providing support to teachers, principals,
8 administrators, and other school personnel staff;

9 “(6) including meaningful community and pa-
10 rental involvement initiatives that will strengthen
11 school improvement activities;

12 “(7) using high quality external technical sup-
13 port and assistance from an entity that has experi-
14 ence and expertise in schoolwide reform and im-
15 provement, which may include an institution of high-
16 er education;

17 “(8) evaluating school reform implementation
18 and student performance; and

19 “(9) identifying other resources, including Fed-
20 eral, State, local, and private resources, that will be
21 used to coordinate services supporting and sus-
22 taining the school reform effort.

23 “(b) SPECIAL RULE.—A school that receives funds
24 to develop a comprehensive school reform program shall
25 not be limited to using the approaches identified or devel-

1 oped by the Secretary, but may develop the school's own
 2 comprehensive school reform programs for schoolwide
 3 change as described in subsection (a).

4 **“SEC. 1557. NATIONAL EVALUATION AND REPORTS.**

5 “(a) IN GENERAL.—The Secretary shall develop a
 6 plan for a national evaluation of the programs assisted
 7 under this part.

8 “(b) EVALUATION.—The national evaluation shall—

9 “(1) evaluate the implementation and results
 10 achieved by schools after 3 years of implementing
 11 comprehensive school reforms; and

12 “(2) assess the effectiveness of comprehensive
 13 school reforms in schools with diverse characteris-
 14 tics.

15 “(c) REPORTS.—Prior to the completion of the na-
 16 tional evaluation, the Secretary shall submit an interim
 17 report describing implementation activities for the Com-
 18 prehensive School Reform Program to the Committee on
 19 Education and the Workforce, and the Committee on Ap-
 20 propriations, of the House of Representatives, and the
 21 Committee on Health, Education, Labor, and Pensions,
 22 and the Committee on Appropriations, of the Senate.

23 **“SEC. 1558. AUTHORIZATION OF APPROPRIATIONS.**

24 “There are authorized to be appropriated to carry out
 25 this part \$500,000,000 for fiscal year 2002 and such sums

1 as may be necessary for each of the 4 succeeding fiscal
 2 years.”.

3 **Subtitle B—Teachers**

4 **SEC. 121. STATE APPLICATIONS.**

5 (a) CONTENTS OF STATE PLAN.—Section 2205(b)(2)
 6 (20 U.S.C. 6645(b)(2)) is amended—

7 (1) by amending subparagraph (N) to read as
 8 follows:

9 “(N) set specific annual, quantifiable, and
 10 measurable performance goals to increase the
 11 percentage of teachers participating in sus-
 12 tained professional development activities, re-
 13 duce the beginning teacher attrition rate, and
 14 reduce the percentage of teachers who are not
 15 certified or licensed, and the percentage who
 16 are out-of-field teachers;”;

17 (2) by redesignating subparagraph (O) as sub-
 18 paragraph (P); and

19 (3) by inserting after subparagraph (N) the fol-
 20 lowing:

21 “(O) describe how the State will ensure
 22 that all teachers in the State will be fully quali-
 23 fied not later than December 1, 2005; and”.

24 (b) STATE AND LOCAL ACTIVITIES.—Part B of title
 25 II (20 U.S.C. 6641 et seq.) is amended—

1 (1) by redesignating section 2211 as section
2 2215;

3 (2) by inserting after section 2210 the fol-
4 lowing:

5 **“SEC. 2211. LOCAL CONTINUATION OF FUNDING.**

6 “(a) AGENCIES.—If a local educational agency ap-
7 plies for funds from a State under this part for a fourth
8 or subsequent fiscal year, the agency may not receive the
9 funds for that fiscal year unless the State determines that
10 the agency has demonstrated that, in carrying out activi-
11 ties under this part during the past fiscal year, the agency
12 has annual numerical performance objectives consisting
13 of—

14 “(1) improved student performance for all
15 groups identified in section 1111;

16 “(2) an increased percentage of teachers par-
17 ticipating in sustained professional development ac-
18 tivities;

19 “(3) a reduction in the beginning teacher attri-
20 tion rate for the agency; and

21 “(4) a reduction in the percentage of teachers
22 who are not certified or licensed, and the percentage
23 who are out-of-field teachers, for the agency.

24 “(b) SCHOOLS.—If a local educational agency applies
25 for funds under this part on behalf of a school for a fourth

1 or subsequent fiscal year (including applying for funds as
 2 part of a partnership), the agency may not receive the
 3 funds for the school for that fiscal year unless the State
 4 determines that the school has demonstrated that, in car-
 5 rying out activities under this part during the past fiscal
 6 year, the school has met the requirements of paragraphs
 7 (1) through (4) of subsection (a).

8 **“SEC. 2212. INFORMATION AND NOTICE TO PARENTS.**

9 “(a) PARENTS’ RIGHT TO KNOW INFORMATION.—

10 “(1) IN GENERAL.—A local educational agency
 11 that receives funds under this title shall provide, on
 12 request, in an understandable and uniform format,
 13 to any parent of a student attending any school
 14 served by the agency, information regarding the pro-
 15 fessional qualifications of each of the student’s class-
 16 room teachers.

17 “(2) CONTENTS.—The agency shall provide, at
 18 a minimum, information on—

19 “(A) whether the teacher has met State
 20 certification or licensing criteria for the aca-
 21 demic subjects and grade levels in which the
 22 teacher teaches the student;

23 “(B) whether the teacher is teaching with
 24 emergency or other provisional credentials, due

1 to which any State certification or licensing cri-
2 teria have been waived; and

3 “(C) the academic qualifications of the
4 teacher in the academic subjects and grade lev-
5 els in which the teacher teaches.

6 “(b) NOTICE.—In addition to providing the informa-
7 tion described in subsection (a), if a school that receives
8 funds under this title assigns a student to a teacher who
9 is not a fully qualified teacher or assigns a student, for
10 2 or more consecutive weeks, to a substitute teacher who
11 is not a fully qualified teacher, the school shall provide
12 notice of the assignment to a parent of the student, not
13 later than 15 school days after the assignment.

14 **“SEC. 2213. GENERAL ACCOUNTING OFFICE STUDY.**

15 “Not later than September 30, 2005, the Comptroller
16 General of the United States shall prepare and submit to
17 the Committee on Education and the Workforce of the
18 House of Representatives and the Committee on Health,
19 Education, Labor, and Pensions of the Senate a study set-
20 ting forth information regarding the progress of States’
21 compliance in increasing the percentage of fully qualified
22 teachers for fiscal years 2001 through 2004.

1 **“SEC. 2214. DEFINITION OF FULLY QUALIFIED.**

2 “(a) IN GENERAL.—In this part, the term ‘fully
3 qualified’, used with respect to a teacher, means a teacher
4 who—

5 “(1)(A) has demonstrated the subject matter
6 knowledge, teaching knowledge, and teaching skill
7 necessary to teach effectively in the academic subject
8 in which the teacher teaches, according to the cri-
9 teria described in subsections (b) and (c); and

10 “(B) is not a teacher for whom State certifi-
11 cation or licensing requirements have been waived or
12 who is teaching under an emergency or other provi-
13 sional credential; or

14 “(2) meets the standards set by the National
15 Board for Professional Teaching Standards.

16 “(b) ELEMENTARY SCHOOL.—For purposes of mak-
17 ing the demonstration described in subsection (a)(1), each
18 teacher who teaches elementary school students (other
19 than middle school students) shall, at a minimum—

20 “(1) have State certification (which may include
21 certification obtained through an alternative route)
22 or a State license to teach; and

23 “(2) hold a bachelor’s degree and demonstrate
24 the subject matter knowledge, teaching knowledge,
25 and teaching skill required to teach effectively in
26 reading, writing, mathematics, social studies,

1 science, and other elements of a liberal arts edu-
2 cation.

3 “(c) MIDDLE SCHOOL AND SECONDARY SCHOOL.—

4 For purposes of making the demonstration described in
5 subsection (a)(1), each teacher who teaches middle school
6 students or secondary school students shall, at a
7 minimum—

8 “(1) have State certification (which may include
9 certification obtained through an alternative route)
10 or a State license to teach; and

11 “(2) hold a bachelor’s degree or higher degree
12 and demonstrate a high level of competence in all
13 academic subjects in which the teacher teaches
14 through—

15 “(A) achievement of a high level of per-
16 formance on rigorous academic subject area
17 tests;

18 “(B) completion of an academic major (or
19 courses totaling an equivalent number of credit
20 hours) in each of the academic subjects in
21 which the teacher teaches; or

22 “(C) in the case of teachers hired before
23 the date of enactment of the School Improve-
24 ment Accountability Act, completion of appro-

1 priate coursework for mastery of the academic
2 subjects in which the teacher teaches.”; and

3 (3) by amending section 2215 (as so redesign-
4 nated)—

5 (A) in subsection (a)(3), by adding after
6 “agency” the following: “for which at least 40
7 percent of the students served by the agency
8 are eligible for free or reduced price lunches
9 under the Richard B. Russell National School
10 Lunch Act”; and

11 (B) by inserting after subsection (a)(4) the
12 following:

13 “(5) REPORTING REQUIREMENTS.—Each insti-
14 tution of higher education receiving assistance under
15 paragraph (1) shall fully comply with all reporting
16 requirements of title II of the Higher Education Act
17 of 1965.”.

18 (c) CONFORMING AMENDMENTS.—The Act (20
19 U.S.C. 6301 et seq.) is amended—

20 (1) in section 2203(2) (20 U.S.C. 6643(2)), by
21 striking “section 2211” and inserting “section
22 2215”; and

23 (2) in section 2205(c)(2) (20 U.S.C.
24 6645(c)(2)), by striking “section 2211” and insert-
25 ing “section 2215”.

1 **Subtitle C—Innovative Education**

2 **SEC. 131. REQUIREMENTS FOR STATE PLANS.**

3 Part B of title VI (20 U.S.C. 7331 et seq.) is amend-
4 ed by adding at the end the following:

5 **“SEC. 6203. REQUIREMENTS FOR STATE PLANS.**

6 “(a) STATE PLANS.—In addition to requirements re-
7 lating to State applications under this part, the State edu-
8 cational agency for each State desiring a grant under this
9 title shall submit a State plan that meets the requirements
10 of this section to the Secretary at such time, in such man-
11 ner, and accompanied by such information as the Sec-
12 retary may require.

13 “(b) CONSOLIDATED PLAN.—A State plan submitted
14 under subsection (a) may be submitted as part of a con-
15 solidated plan under section 14302, and as part of a State
16 application described in section 6202.

17 “(c) CONTENTS.—Each plan submitted under sub-
18 section (a) shall—

19 “(1) describe how the funds made available
20 through the grant will be used to increase student
21 academic performance;

22 “(2) describe annual, quantifiable, and measur-
23 able performance goals that will be used to measure
24 the impact of those funds on student performance;

1 “(3) describe the methods the State will use to
2 measure the annual impact of programs described in
3 the plan and the extent to which such goals are
4 aligned with State standards;

5 “(4) certify that the State has in place the
6 standards and assessments required under section
7 1111;

8 “(5) certify that the State educational agency
9 has a system, as required under section 1111, for—

10 “(A) holding each local educational agency
11 and school accountable for adequate yearly
12 progress (as described in section 1111(b)(2));

13 “(B) identifying local educational agencies
14 and schools for improvement and corrective ac-
15 tion (as required in sections 1116 and 1117);

16 “(C) assisting local educational agencies
17 and schools that are identified for improvement
18 with the development of improvement plans;
19 and

20 “(D) providing technical assistance, profes-
21 sional development, and other capacity building
22 as needed to get such agencies and schools out
23 of improvement status;

24 “(6) certify that the State educational agency
25 will use the disaggregated results of student assess-

1 ments required under section 1111(b)(3), and other
2 measures or indicators available, to review annually
3 the progress of each local educational agency and
4 school served under this title to determine whether
5 each such agency and school is making adequate
6 yearly progress as required under section
7 1111(b)(2);

8 “(7) certify that the State educational agency
9 will take action against a local educational agency
10 that is identified for corrective action and receiving
11 funds under this title;

12 “(8) describe what, if any, State and other non-
13 Federal resources will be provided to local edu-
14 cational agencies and schools served under this title
15 to carry out activities consistent with this title; and

16 “(9) certify that the State educational agency
17 has a system to hold local educational agencies ac-
18 countable for meeting the annual performance goals
19 required under paragraph (2).

20 “(d) APPROVAL.—The Secretary, using a peer review
21 process, shall approve a State plan submitted under this
22 section if the State plan meets the requirements of this
23 section.

1 “(e) DURATION OF THE PLAN.—Each State plan
2 shall remain in effect for the duration of the State’s par-
3 ticipation under this title.

4 “(f) REQUIREMENT.—A State shall not be eligible to
5 receive funds under this title unless the State has estab-
6 lished the standards and assessments required under sec-
7 tion 1111.

8 “(g) PUBLIC REVIEW.—Each State educational agen-
9 cy will make publicly available the plan approved under
10 subsection (d).

11 **“SEC. 6204. SANCTIONS.**

12 “(a) THIRD FISCAL YEAR.—If a State receiving
13 grant funds under this title fails to meet performance
14 goals established under section 6203(c)(2) by the end of
15 the third fiscal year for which the State receives such
16 grant funds, the Secretary shall reduce by 50 percent the
17 amount the State is entitled to receive for administrative
18 expenses under this title.

19 “(b) FOURTH FISCAL YEAR.—If the State fails to
20 meet such performance goals by the end of the fourth fis-
21 cal year for which the State receives grant funds under
22 this title, the Secretary shall reduce the total amount the
23 State receives under this title by 20 percent.

1 “(c) TECHNICAL ASSISTANCE.—The Secretary shall
 2 provide technical assistance, at the request of a State sub-
 3 jected to sanctions under subsection (a) or (b).

4 “(d) LOCAL SANCTIONS.—

5 “(1) IN GENERAL.—Each State receiving assist-
 6 ance under this title shall develop a system to hold
 7 local educational agencies accountable for meeting
 8 the adequate yearly progress requirements estab-
 9 lished under part A of title I and the performance
 10 goals established under this title.

11 “(2) SANCTIONS.—A system developed under
 12 paragraph (1) shall include a mechanism for sanc-
 13 tioning local educational agencies for failure to meet
 14 such performance goals and adequate yearly
 15 progress levels.

16 **“SEC. 6205. STATE REPORTS.**

17 “Each State educational agency or Chief Executive
 18 Officer of a State receiving funds under this title shall
 19 annually publish and disseminate to the public in a format
 20 and, to the extent practicable, in a language that the pub-
 21 lic can understand, a report on—

22 “(1) the use of such funds;

23 “(2) the impact of programs conducted with
 24 such funds and an assessment of such programs’ ef-
 25 fectiveness; and

1 “(3) the progress of the State toward attaining
 2 the performance goals established under section
 3 6203(c)(2), and the extent to which the programs
 4 have increased student achievement.

5 **“SEC. 6206. STANDARDS; ASSESSMENTS ENHANCEMENT.**

6 “Each State educational agency receiving a grant
 7 under this title may use such grant funds, consistent with
 8 section 6201(a)(1)(C), to—

9 “(1) establish high quality, internationally com-
 10 petitive content and student performance standards
 11 and strategies that all students will be expected to
 12 meet;

13 “(2) provide for the establishment of high qual-
 14 ity, rigorous assessments that include multiple meas-
 15 ures and demonstrate comprehensive knowledge; or

16 “(3) develop and implement value-added assess-
 17 ments.”.

18 **SEC. 132. PERFORMANCE OBJECTIVES.**

19 Title VII (20 U.S.C. 7401 et seq.) is amended by in-
 20 serting after section 7105 the following:

21 **“SEC. 7106. PERFORMANCE OBJECTIVES.**

22 “(a) IN GENERAL.—Each State educational agency
 23 or local educational agency receiving a grant under this
 24 part shall develop annual numerical performance objec-
 25 tives that are age-appropriate and developmentally-appro-

1 priate with respect to helping limited English proficient
 2 students become proficient in English and improve overall
 3 academic performance based upon State and local content
 4 and performance standards. The objectives shall include
 5 incremental percentage increases for each fiscal year a
 6 State educational agency or local educational agency re-
 7 ceives a grant under this title, including increases from
 8 the preceding fiscal year in the number of limited English
 9 proficient students demonstrating an increase in perform-
 10 ance on annual assessments concerning reading, writing,
 11 speaking, and listening comprehension.

12 “(b) ACCOUNTABILITY.—Each State educational
 13 agency or local educational agency receiving a grant under
 14 this title shall be held accountable for meeting the annual
 15 numerical performance objectives under this title and the
 16 adequate yearly progress levels for limited English pro-
 17 ficient students under clauses (ii) and (iv) of section
 18 1111(b)(2)(B). Any State educational agency or local edu-
 19 cational agency that fails to meet the annual performance
 20 objectives shall be subject to sanctions described in section
 21 14515.

22 “(c) PARENTAL NOTIFICATION.—

23 “(1) IN GENERAL.—Each State educational
 24 agency or local educational agency shall notify a par-
 25 ent of a student who is participating in a language

1 instruction educational program under this title, in
 2 a manner and form understandable to the parent,
 3 including, if necessary and to the extent feasible, in
 4 the native language of the parent, of—

5 “(A) the student’s level of English pro-
 6 ficiency, how such level was assessed, the status
 7 of the student’s academic achievement, and the
 8 implications of the student’s educational
 9 strengths and needs for age-appropriate and
 10 grade-appropriate academic attainment, pro-
 11 motion, and graduation;

12 “(B) what programs are available to meet
 13 the student’s educational strengths and needs,
 14 and how such programs differ in content and
 15 instructional goals from other language instruc-
 16 tion educational programs and, in the case of a
 17 student with a disability, how such available
 18 programs meet the objectives of the individual-
 19 ized education program of such a student; and

20 “(C) the instructional goals of the lan-
 21 guage instruction educational program, and
 22 how the program will specifically help the lim-
 23 ited English proficient student learn English
 24 and meet State and local content and perform-
 25 ance standards, including—

1 “(i) the characteristics, benefits, and
 2 past academic results of the language in-
 3 struction educational program and of in-
 4 structional alternatives; and

5 “(ii) the reasons the student was iden-
 6 tified as being in need of a language in-
 7 struction educational program.

8 “(2) OPTION TO DECLINE.—Each parent de-
 9 scribed in paragraph (1) shall also be informed that
 10 the parent has the option of declining the enrollment
 11 of a student in a language instruction educational
 12 program, and shall be given an opportunity to de-
 13 cline such enrollment if the parent so chooses.

14 “(3) SPECIAL RULE.—A student shall not be
 15 admitted to, or excluded from, any federally assisted
 16 language instruction educational program solely on
 17 the basis of a surname or language-minority sta-
 18 tus.”.

19 **SEC. 133. REPORT CARDS.**

20 Title XIV (20 U.S.C. 8801 et seq.) is amended by
 21 adding at the end the following:

22 **“PART I—REPORT CARDS**

23 **“SEC. 14901. REPORT CARDS.**

24 “(a) GRANTS AUTHORIZED.—The Secretary shall
 25 award a grant, from allotments under subsection (b), to

1 each State having a State report card meeting the require-
 2 ments described in subsection (e), to enable the State, and
 3 local educational agencies and schools in the State, annu-
 4 ally to publish report cards for each elementary school and
 5 secondary school that receives funding under this Act and
 6 is served by the State.

7 “(b) RESERVATIONS AND ALLOTMENTS.—

8 “(1) RESERVATIONS.—From the amount appro-
 9 priated under subsection (j) to carry out this part
 10 for each fiscal year, the Secretary shall reserve—

11 “(A) $\frac{1}{2}$ of 1 percent of such amount for
 12 payments to the Secretary of the Interior for
 13 activities approved by the Secretary of Edu-
 14 cation, consistent with this part, in schools op-
 15 erated or supported by the Bureau of Indian
 16 Affairs, on the basis of their respective needs
 17 for assistance under this part; and

18 “(B) $\frac{1}{2}$ of 1 percent of such amount for
 19 payments to outlying areas, to be allotted in ac-
 20 cordance with their respective needs for assist-
 21 ance under this part, as determined by the Sec-
 22 retary, for activities approved by the Secretary,
 23 consistent with this part.

24 “(2) STATE ALLOTMENTS.—From the amount
 25 appropriated under subsection (j) for a fiscal year

1 and remaining after the Secretary makes reserva-
 2 tions under paragraph (1), the Secretary shall allot
 3 to each State having a State report card meeting
 4 the requirements described in subsection (e) an
 5 amount that bears the same relationship to the re-
 6 mainder as the number of public school students en-
 7 rolled in elementary schools and secondary schools
 8 in the State bears to the number of such students
 9 so enrolled in all States.

10 “(c) STATE RESERVATION OF FUNDS.—Each State
 11 educational agency receiving a grant under subsection (a)
 12 may reserve—

13 “(1) not more than 10 percent of the grant
 14 funds to carry out activities described in subsections
 15 (e) and (g)(2) for fiscal year 2002; and

16 “(2) not more than 5 percent of the grant
 17 funds to carry out activities described in subsections
 18 (e) and (g)(2) for fiscal year 2003 and each of the
 19 3 succeeding fiscal years.

20 “(d) WITHIN-STATE ALLOCATIONS.—Each State
 21 educational agency receiving a grant under subsection (a)
 22 shall allocate the grant funds that remain after making
 23 the reservation described in subsection (c) to each local
 24 educational agency in the State in an amount that bears
 25 the same relationship to the remainder as the number of

1 public school students enrolled in elementary schools and
 2 secondary schools served by the local educational agency
 3 bears to the number of such students served by local edu-
 4 cational agencies within the State.

5 “(e) ANNUAL STATE REPORT CARD.—

6 “(1) REPORT CARDS REQUIRED.—Not later
 7 than the beginning of the 2002–2003 school year, a
 8 State that receives assistance under this Act shall
 9 prepare and disseminate an annual report card for
 10 parents, the general public, teachers, and the Sec-
 11 retary, with respect to all elementary schools and
 12 secondary schools within the State.

13 “(2) REQUIRED INFORMATION.—Each State de-
 14 scribed in paragraph (1), at a minimum, shall in-
 15 clude in the annual State report card information
 16 regarding—

17 “(A) student performance on statewide as-
 18 sessments for the year for which the annual
 19 State report card is prepared and the preceding
 20 year, in at least English language arts and
 21 mathematics, including—

22 “(i) a comparison of the proportions
 23 of students who performed at the basic,
 24 proficient, and advanced levels in each sub-
 25 ject area, for each grade level for which as-

1 assessments are required under title I for the
2 year for which the report card is prepared,
3 with proportions in each of the same 3 lev-
4 els in each subject area at the same grade
5 levels in the preceding school year;

6 “(ii) a statement on the most recent
7 3-year trend in the percentage of students
8 performing at the basic, proficient, and ad-
9 vanced levels in each subject area, for each
10 grade level for which assessments are re-
11 quired under title I; and

12 “(iii) a statement of the percentage of
13 students not tested and a listing of cat-
14 egories of the reasons why such students
15 were not tested;

16 “(B) student retention rates in each grade,
17 the number of students completing advanced
18 placement courses, annual school dropout rates
19 as calculated by procedures conforming with the
20 National Center for Education Statistics Com-
21 mon Core of Data, and 4-year graduation rates;
22 and

23 “(C) the professional qualifications of
24 teachers in the aggregate, including the per-
25 centage of teachers teaching with emergency or

1 provisional credentials, the percentage of class
2 sections not taught by fully qualified teachers,
3 and the percentage of teachers who are fully
4 qualified.

5 “(3) STUDENT DATA.—Student data in each re-
6 port card shall contain disaggregated results for the
7 following categories:

8 “(A) Racial and ethnic groups.

9 “(B) Gender groups.

10 “(C) Economically disadvantaged students,
11 as compared with students who are not eco-
12 nomically disadvantaged.

13 “(D) Students with limited English pro-
14 ficiency, as compared with students who are
15 proficient in English.

16 “(E) Migrant status groups.

17 “(F) Students with disabilities, as com-
18 pared with students who are not disabled.

19 “(4) OPTIONAL INFORMATION.—A State may
20 include in the State annual report card any other in-
21 formation the State determines appropriate to re-
22 flect school quality and school achievement, includ-
23 ing by grade level information on the following:

24 “(A) Average class size.

1 “(B) School safety, such as the incidence
2 of school violence and drug and alcohol abuse.

3 “(C) The incidence of student suspensions
4 and expulsions.

5 “(D) Student access to technology, includ-
6 ing the number of computers for educational
7 purposes, the number of computers per class-
8 room, and the number of computers connected
9 to the Internet.

10 “(E) Parental involvement, as determined
11 by such measures as the extent of parental par-
12 ticipation in schools, parental involvement ac-
13 tivities, and extended learning time programs,
14 such as after-school and summer programs.

15 “(f) LOCAL EDUCATIONAL AGENCY AND SCHOOL RE-
16 PORT CARDS.—

17 “(1) IN GENERAL.—The State shall ensure that
18 each local educational agency, elementary school,
19 and secondary school in the State, collects appro-
20 priate data and publishes an annual report card con-
21 sistent with this subsection.

22 “(2) REQUIRED INFORMATION.—Each local
23 educational agency, elementary school, and sec-
24 ondary school described in paragraph (1), at a min-
25 imum, shall include in its annual report card—

1 “(A) the information described in para-
2 graphs (2) and (3) of subsection (e) for each
3 local educational agency and school;

4 “(B) in the case of a local educational
5 agency—

6 “(i) information regarding the number
7 and percentage of schools served by the
8 local educational agency that are identified
9 for school improvement, including schools
10 identified under section 1116;

11 “(ii) information on the most recent
12 3-year trend in the number and percentage
13 of elementary schools and secondary
14 schools served by the local educational
15 agency that are identified for school im-
16 provement; and

17 “(iii) information on how students in
18 the schools served by the local educational
19 agency performed on the statewide assess-
20 ment compared with students in the State
21 as a whole;

22 “(C) in the case of an elementary school or
23 a secondary school—

1 “(i) information regarding whether
 2 the school has been identified for school
 3 improvement;

4 “(ii) information on how the school’s
 5 students performed on the statewide as-
 6 sessment compared with students in
 7 schools served by the same local edu-
 8 cational agency and with all students in
 9 the State; and

10 “(iii) information about the enroll-
 11 ment of students compared with the rated
 12 capacity of the schools; and

13 “(D) other appropriate information, re-
 14 gardless of whether the information is included
 15 in the annual State report.

16 “(g) DISSEMINATION AND ACCESSIBILITY OF RE-
 17 PORT CARDS.—

18 “(1) REPORT CARD FORMAT.—Annual report
 19 cards under this part shall be—

20 “(A) concise; and

21 “(B) presented in a format and manner
 22 that parents can understand, including, to the
 23 extent practicable, in a language the parents
 24 can understand.

1 “(2) STATE REPORT CARDS.—State annual re-
2 port cards under subsection (e) shall be dissemi-
3 nated to all elementary schools, secondary schools,
4 and local educational agencies in the State, and
5 made broadly available to the public through means
6 such as posting on the Internet and distribution to
7 the media, and through public agencies.

8 “(3) LOCAL REPORT CARDS.—Local educational
9 agency report cards under subsection (f) shall be
10 disseminated to all elementary schools and secondary
11 schools served by the local educational agency and to
12 parents of students attending such schools, and
13 made broadly available to the public through means
14 such as posting on the Internet and distribution to
15 the media, and through public agencies.

16 “(4) SCHOOL REPORT CARDS.—Elementary
17 school and secondary school report cards under sub-
18 section (f) shall be disseminated to parents of stu-
19 dents attending that school, and made broadly avail-
20 able to the public through means such as posting on
21 the Internet and distribution to the media, and
22 through public agencies.

23 “(h) COORDINATION OF STATE PLAN CONTENT.—A
24 State shall include in its plan under part A of title I or

1 part B of title II, an assurance that the State has in effect
 2 a policy that meets the requirements of this section.

3 “(i) PRIVACY.—Information collected under this sec-
 4 tion shall be collected and disseminated in a manner that
 5 protects the privacy of individuals.

6 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
 7 are authorized to be appropriated to carry out this part
 8 \$5,000,000 for fiscal year 2002 and such sums as may
 9 be necessary for each of the 4 succeeding fiscal years.

10 **“PART J—ADDITIONAL PERFORMANCE AND**
 11 **ACCOUNTABILITY PROVISIONS**

12 **“SEC. 14911. REWARDING HIGH PERFORMANCE.**

13 “(a) STATE REWARDS.—

14 “(1) IN GENERAL.—From amounts appro-
 15 priated under subsection (d), the Secretary shall
 16 make awards to States that—

17 “(A) for 3 consecutive years have—

18 “(i) exceeded the State performance
 19 goals and objectives established for any
 20 title under this Act;

21 “(ii) exceeded the adequate yearly
 22 progress levels established under section
 23 1111(b)(2);

24 “(iii) significantly narrowed the gaps
 25 between minority and nonminority stu-

dents, and between economically disadvantaged students and students who are not economically disadvantaged;

“(iv) raised all students to the proficient standard level prior to 10 years after the date of enactment of the School Improvement Accountability Act; or

“(v) significantly increased the percentage of core classes being taught by fully qualified teachers, in schools receiving funds under part A of title I; or

“(B) by not later than fiscal year 2005, ensure that all teachers teaching in the State public elementary schools and secondary schools are fully qualified.

“(2) STATE USE OF FUNDS.—

“(A) DEMONSTRATION SITES.—Each State receiving an award under paragraph (1) shall use a portion of the award funds that are not distributed under subsection (b) to establish demonstration sites with respect to high-performing schools (based upon achievement, or performance levels and adequate yearly progress) in order to help low-performing schools.

1 “(B) IMPROVEMENT OF PERFORMANCE.—

2 Each State receiving an award under paragraph
 3 (1) shall use the portion of the award funds
 4 that are not used pursuant to subparagraph (A)
 5 or (C) and are not distributed under subsection
 6 (b) for the purpose of improving the level of
 7 performance of all elementary school and sec-
 8 ondary school students in the State, based upon
 9 State content and performance standards.

10 “(C) RESERVATION FOR ADMINISTRATIVE
 11 EXPENSES.—Each State receiving an award
 12 under paragraph (1) may set aside not more
 13 than $\frac{1}{2}$ of 1 percent of the award funds for the
 14 planning and administrative costs of carrying
 15 out this section, including the costs of distrib-
 16 uting awards to local educational agencies.

17 “(b) LOCAL EDUCATIONAL AGENCY AWARDS.—

18 “(1) IN GENERAL.—Each State receiving an
 19 award under subsection (a)(1) shall distribute 80
 20 percent of the award funds to local educational
 21 agencies in the State that—

22 “(A) for 3 consecutive years have—

23 “(i) exceeded the State-established
 24 local educational agency performance goals

1 and objectives established for any title
2 under this Act;

3 “(ii) exceeded the adequate yearly
4 progress levels established under section
5 1111(b)(2);

6 “(iii) significantly narrowed the gaps
7 between minority and nonminority stu-
8 dents, and between economically disadvan-
9 tagged students and students who are not
10 economically disadvantaged;

11 “(iv) raised all students enrolled in
12 schools served by the local educational
13 agency to the proficient standard level
14 prior to 10 years from the date of enact-
15 ment of the School Improvement Account-
16 ability Act; or

17 “(v) significantly increased the per-
18 centage of core classes being taught by
19 fully qualified teachers, in schools receiving
20 funds under part A of title I;

21 “(B) not later than December 31, 2005,
22 ensure that all teachers teaching in the elemen-
23 tary schools and secondary schools served by
24 the local educational agency are fully qualified;
25 or

1 “(C) have attained consistently high
2 achievement in another area that the State de-
3 termines appropriate to reward.

4 “(2) SCHOOL-BASED PERFORMANCE AWARDS.—
5 A local educational agency shall use funds made
6 available under paragraph (1) for activities described
7 in subsection (c) such as school-based performance
8 awards.

9 “(3) RESERVATION FOR ADMINISTRATIVE EX-
10 PENSES.—Each local educational agency receiving
11 an award under paragraph (1) may set aside not
12 more than $\frac{1}{2}$ of 1 percent of the award funds for
13 the planning and administrative costs of carrying
14 out this section, including the costs of distributing
15 awards to eligible elementary schools and secondary
16 schools, teachers, and principals.

17 “(c) SCHOOL REWARDS.—Each local educational
18 agency receiving an award under subsection (b) shall con-
19 sult with teachers and principals to develop a reward sys-
20 tem, and shall use the award funds—

21 “(1) to reward individual schools that dem-
22 onstrate high performance with respect to—

23 “(A) increasing the academic achievement
24 of all students;

1 “(B) narrowing the academic achievement
2 gap described in section 1111(b)(2)(B)(iv);

3 “(C) improving teacher quality;

4 “(D) increasing high-quality professional
5 development for teachers, principals, and ad-
6 ministrators; or

7 “(E) improving the English proficiency of
8 limited English proficient students;

9 “(2) to reward collaborative teams of teachers,
10 or teams of teachers and principals, that—

11 “(A) significantly increase the annual per-
12 formance of low-performing students; or

13 “(B) significantly improve in a fiscal year
14 the English proficiency of limited English pro-
15 ficient students;

16 “(3) to reward principals who successfully raise
17 the performance of a substantial number of low-per-
18 forming students to high academic levels;

19 “(4) to develop or implement school district-
20 wide programs or policies to increase the level of
21 student performance on State assessments that are
22 aligned with State content standards; and

23 “(5) to reward schools for consistently high
24 achievement in another area that the local edu-
25 cational agency determines appropriate to reward.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to carry out this section
 3 \$200,000,000 for fiscal year 2002, and such sums as may
 4 be necessary for each of the 4 succeeding fiscal years.

5 “(e) DEFINITION.—The term ‘low-performing stu-
 6 dent’ means a student who is below a basic State standard
 7 level.”.

8 **SEC. 134. ADDITIONAL ACCOUNTABILITY PROVISIONS.**

9 Part E of title XIV (20 U.S.C. 8891 et seq.) is
 10 amended by adding at the end the following:

11 **“SEC. 14515. ADDITIONAL ACCOUNTABILITY PROVISIONS.**

12 “(a) IN GENERAL.—Notwithstanding any other pro-
 13 vision of this Act, a recipient of funds provided for a fiscal
 14 year under part A of title I, part A or C of title III, part
 15 A of title IV, part A of title V, or title VII, shall include—

16 (1) in the plans or applications required under
 17 such part or title—

18 (A) the methods the recipient will use to
 19 measure the annual impact of each program
 20 funded in whole or in part with funds provided
 21 under such part or title and, if applicable, the
 22 extent to which each such program will increase
 23 student academic achievement;

24 (B) the annual, quantifiable, and measur-
 25 able performance goals and objectives for each

1 such program, and the extent to which, if appli-
 2 cable, the program’s performance goals and ob-
 3 jectives align with State content standards and
 4 State student performance standards estab-
 5 lished under section 1111(b)(1)(A); and

6 (C) if the recipient is a local educational
 7 agency, assurances that the local educational
 8 agency consulted, at a minimum, with parents,
 9 school board members, teachers, administrators,
 10 business partners, education organizations, and
 11 community groups to develop the plan or appli-
 12 cation submitted and that such consultation will
 13 continue on a regular basis; and

14 “(2) in the reports required under such part or
 15 title, a report for the preceding fiscal year regarding
 16 how the plan or application submitted for such fiscal
 17 year under such part or title was implemented, the
 18 recipient’s progress toward attaining the perform-
 19 ance goals and objectives identified in the plan or
 20 application for such year, and, if applicable, the ex-
 21 tent to which programs funded in whole or in part
 22 with funds provided under such part or title in-
 23 creased student achievement.

24 “(b) PENALTIES.—If a recipient of funds under a
 25 part or title described in subsection (a) fails to meet the

1 performance goals and objectives of the part or title for
 2 3 consecutive fiscal years, the Secretary shall—

3 “(1) withhold not less than 50 percent of the
 4 funds made available under the relevant program for
 5 administrative expenses for the succeeding fiscal
 6 year, and for each consecutive fiscal year until the
 7 recipient meets such performance goals and objec-
 8 tives; and

9 “(2) in the case of—

10 “(A) a competitive grant (as determined by
 11 the Secretary), consider the recipient ineligible
 12 for grants under the part or title until the re-
 13 cipient meets such performance goals and objec-
 14 tives; and

15 “(B) a formula grant (as determined by
 16 the Secretary), withhold not less than 20 per-
 17 cent of the total amount of funds provided
 18 under title VI for the succeeding fiscal year and
 19 each consecutive fiscal year until the recipient
 20 meets such goals and objectives.

21 “(c) OTHER PENALTIES.—A State that has not met
 22 the requirements of subsection (a)(1)(B) with respect to
 23 a fiscal year—

24 “(1) shall not be eligible for designation as an
 25 Ed-Flex Partnership State under the Education

1 Flexibility Partnership Act of 1999 until the State
 2 meets the requirements of subsection (a)(1)(B); and

3 “(2) shall be subject to such other penalties as
 4 are provided in this Act for failure to meet the re-
 5 quirements of subsection (a)(1)(B).

6 “(d) SPECIAL RULE FOR SECRETARY AWARDS.—

7 “(1) IN GENERAL.—Notwithstanding any other
 8 provision of this Act, a recipient of funds provided
 9 under a direct award made by the Secretary, or a
 10 contract or cooperative agreement entered into with
 11 the Secretary, for a program shall include the fol-
 12 lowing information in any application or plan re-
 13 quired for such program:

14 “(A) How funds provided under the pro-
 15 gram will be used and how such use will in-
 16 crease student academic achievement.

17 “(B) The goals and objectives to be met,
 18 including goals for dissemination and use of the
 19 information or materials produced, where appli-
 20 cable.

21 “(C) If the grant requires dissemination of
 22 information or materials, how the recipient will
 23 track and report annually to the Secretary—

24 “(i) the successful dissemination of in-
 25 formation or materials produced;

1 “(ii) where information or materials
2 produced are being used; and

3 “(iii) the impact of such use and, if
4 applicable, the extent to which such use in-
5 creased student academic achievement or
6 contributed to the stated goal of the pro-
7 gram.

8 “(2) REQUIREMENT.—If no application or plan
9 is required under a program described in paragraph
10 (1), the Secretary shall require the recipient of funds
11 to submit a plan containing the information required
12 under paragraph (1).

13 “(3) FAILURE TO ACHIEVE GOALS AND OBJEC-
14 TIVES.—

15 “(A) IN GENERAL.—The Secretary shall
16 evaluate the information submitted under this
17 subsection to determine whether the recipient
18 has met the goals and objectives described in
19 paragraph (1)(B), where applicable, assess the
20 magnitude of dissemination described in para-
21 graph (1)(C), and, where applicable, assess the
22 effectiveness of the activity funded in raising
23 student academic achievement in places where
24 information or materials produced with such
25 funds are used.

“(B) INELIGIBILITY.—The Secretary shall consider the recipient ineligible for grants, contracts, or cooperative agreements under the program described in paragraph (1) if—

“(i) the goals and objectives described in paragraph (1)(B) have not been met;

“(ii) where applicable, the dissemination has not been of a magnitude to ensure goals and objectives are being addressed; and

“(iii) where applicable, the information or materials produced have not made a significant impact on raising student achievement in places where such information or materials are used.”.

TITLE II—CLOSING THE ACHIEVEMENT GAP

Subtitle A—Reauthorization of Programs

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 1002(a) (20 U.S.C. 6302(a)) is amended by striking “appropriated \$7,400,000,000 for fiscal year 1995” and all that follows through the period and inserting the following: “appropriated—

- 1 “(1) \$11,000,000,000 for fiscal year 2002;
 2 “(2) \$13,000,000,000 for fiscal year 2003;
 3 “(3) \$15,000,000,000 for fiscal year 2004;
 4 “(4) \$15,000,000,000 for fiscal year 2005; and
 5 “(5) \$15,000,000,000 for fiscal year 2006.”.

6 (b) REVIEW OF ALLOCATIONS.—The Secretary of
 7 Education shall annually review the manner in which
 8 funds are allocated under title I of the Elementary and
 9 Secondary Education Act of 1965 (20 U.S.C. 6301 et
 10 seq.) to ensure that local education agencies with the high-
 11 est need are receiving funds in proportion to that need
 12 as compared to other local education agencies.

13 **Subtitle B—Options: Opportunities**
 14 **to Improve our Nation’s Schools**

15 **SEC. 211. OPTIONS: OPPORTUNITIES TO IMPROVE OUR NA-**
 16 **TION’S SCHOOLS.**

17 Title V (20 U.S.C. 7201 et seq.) is amended by add-
 18 ing at the end the following:

19 **“PART D—OPTIONS: OPPORTUNITIES TO**
 20 **IMPROVE OUR NATION’S SCHOOLS**

21 **“SEC. 5401. PURPOSE.**

22 “It is the purpose of this part to identify and support
 23 innovative approaches to high-quality public school choice
 24 by providing financial assistance for the demonstration,
 25 development, implementation, and evaluation of, and the

1 dissemination of information about, public school choice
 2 programs that stimulate educational innovation for all
 3 public schools and contribute to standards-based school re-
 4 form efforts.

5 **“SEC. 5402. GRANTS.**

6 “(a) IN GENERAL.—From funds appropriated under
 7 section 5405(a) and not reserved under section 5405(b),
 8 the Secretary is authorized to make grants to State and
 9 local educational agencies to support programs that pro-
 10 mote innovative approaches to high-quality public school
 11 choice.

12 “(b) DURATION.—A grant under this part shall not
 13 be awarded for a period that exceeds 3 years.

14 **“SEC. 5403. USES OF FUNDS.**

15 “(a) USES OF FUNDS.—

16 “(1) IN GENERAL.—Funds under this part may
 17 be used to demonstrate, develop, implement, and
 18 evaluate, and to disseminate information about, in-
 19 novative approaches to broaden public elementary
 20 school and secondary school choice, including the de-
 21 sign and development of new public school choice op-
 22 tions, the development of new strategies for over-
 23 coming barriers to effective public school choice, and
 24 the design and development of public school choice
 25 systems that promote high standards for all students

1 and the continuous improvement of all such public
2 schools.

3 “(2) EXAMPLES.—The approaches described in
4 paragraph (1) at the school, school district, and
5 State levels may include—

6 “(A) inter school district approaches to
7 public school choice, including approaches that
8 increase equal access to high-quality educational
9 programs and diversity in schools;

10 “(B) public elementary and secondary pro-
11 grams that involve partnerships with institu-
12 tions of higher education and that are located
13 on the campuses of the institutions;

14 “(C) programs that allow students in pub-
15 lic secondary schools to enroll in postsecondary
16 courses and to receive both secondary and post-
17 secondary academic credit;

18 “(D) worksite satellite schools, in which
19 State or local educational agencies form part-
20 nerships with public or private employers, to
21 create public schools at parents’ places of em-
22 ployment; and

23 “(E) approaches to school desegregation
24 that provide students and parents choice
25 through strategies other than magnet schools.

1 “(b) LIMITATIONS.—Funds under this part—

2 “(1) shall supplement, and not supplant, non-
3 Federal funds expended for existing programs;

4 “(2) may be used for providing transportation
5 services or costs, except that not more than 10 per-
6 cent of the funds received under this part may be
7 used by the local educational agency to provide such
8 services or costs;

9 “(3) may be used for improving low performing
10 schools that lose students as a result of school choice
11 plans, except that not more than 10 percent of the
12 funds under this part may be used by the local edu-
13 cational agency for the improvement of low per-
14 forming schools; and

15 “(4) shall not be used to fund programs that
16 are authorized under part C, D, or E.

17 **“SEC. 5404. GRANT APPLICATION; PRIORITIES.**

18 “(a) APPLICATION REQUIRED.—A State or local edu-
19 cational agency desiring to receive a grant under this part
20 shall submit an application to the Secretary in such form
21 and containing such information as the Secretary may re-
22 quire.

23 “(b) APPLICATION CONTENTS.—Each application
24 shall include—

1 “(1) a description of the program for which
2 funds are sought and the goals for such program;

3 “(2) a description of how the program funded
4 under this part will be coordinated with, and will
5 complement and enhance, programs under other re-
6 lated Federal and non-Federal programs;

7 “(3) if the program includes partners, the name
8 of each partner and a description of the partner’s
9 responsibilities; and

10 “(4) a description of the policies and procedures
11 the agency will use to ensure—

12 “(A) that priority is provided to parents of
13 students attending schools identified for school
14 improvement under section 1116 in exercising
15 choice among schools;

16 “(B) that priority is provided to parents of
17 students who want to stay enrolled at a school;

18 “(C) the agency’s accountability for re-
19 sults, including the agency’s goals and perform-
20 ance indicators;

21 “(D) that the program is open and acces-
22 sible to, and will promote high academic stand-
23 ards for, all students regardless of the achieve-
24 ment level or disability of the students and the
25 family income of the families of the students;

1 “(E) that all parents are provided with
2 easily comprehensible information about various
3 school options, including information on in-
4 structional approaches at different schools, re-
5 sources, and transportation that will be pro-
6 vided at or for the schools on an annual basis;

7 “(F) that all parents are given timely no-
8 tice about opportunities to choose which school
9 their child will attend the following year and
10 the period during which the choice may be
11 made;

12 “(G) that limitations on transfers between
13 schools only occur because of facilities con-
14 straints, statutory class size limits, and local ef-
15 forts to ensure that schools reflect the diversity
16 of the communities in which the schools are lo-
17 cated;

18 “(H) that a lottery or other random sys-
19 tem be established for parents of students wish-
20 ing to attend a school that cannot receive all
21 students wishing to attend; and

22 “(I) that the program is carried out in a
23 manner consistent with Federal law, including
24 court orders, such as desegregation orders,
25 issued to enforce Federal law.

1 “(c) PRIORITIES.—

2 “(1) IN GENERAL.—The Secretary shall give a
3 priority to applications for programs that will serve
4 high-poverty local educational agencies.

5 “(2) PERMISSIVE.—The Secretary may give a
6 priority to applications demonstrating that the State
7 or local educational agency will carry out the agen-
8 cy’s program in partnership with one or more public
9 or private agencies, organizations, or institutions, in-
10 cluding institutions of higher education and public
11 or private employers.

12 **“SEC. 5405. AUTHORIZATION OF APPROPRIATIONS; RES-**
13 **ERVATION; EVALUATIONS.**

14 “(a) AUTHORIZATION OF APPROPRIATIONS.—For the
15 purpose of carrying out this part, there are authorized to
16 be appropriated \$100,000,000 for each of fiscal years
17 2002 through 2006.

18 “(b) RESERVATION FOR EVALUATION, TECHNICAL
19 ASSISTANCE, AND DISSEMINATION.—From the amount
20 appropriated under subsection (a) for any fiscal year, the
21 Secretary may reserve not more than 5 percent to carry
22 out evaluations under subsection (c), to provide technical
23 assistance, and to disseminate information.

24 “(c) EVALUATIONS.—The Secretary may use funds
25 reserved under subsection (b) to carry out one or more

1 evaluations of programs assisted under this part, which,
 2 at a minimum, shall address—

3 “(1) how, and the extent to which, the pro-
 4 grams supported with funds under this part promote
 5 educational equity and excellence; and

6 “(2) the extent to which public schools of choice
 7 supported with funds under this part are—

8 “(A) held accountable to the public;

9 “(B) effective in improving public edu-
 10 cation; and

11 “(C) open and accessible to all students.”.

12 **Subtitle C—Parental Involvement**

13 **SEC. 221. STATE PLANS.**

14 Section 1111 (20 U.S.C. 6311) is amended—

15 (1) by redesignating subsections (d) through (g)
 16 as subsections (e) through (h), respectively; and

17 (2) by inserting after subsection (c) the fol-
 18 lowing:

19 “(d) PARENTAL INVOLVEMENT.—Each State plan
 20 shall demonstrate that the State will support, in collabora-
 21 tion with the regional educational laboratories, the collec-
 22 tion and dissemination to local educational agencies and
 23 schools of effective parental involvement practices. Such
 24 practices shall—

1 “(1) be based on the most current research on
 2 effective parental involvement that fosters achieve-
 3 ment to high standards for all children; and

4 “(2) be geared toward lowering barriers to
 5 greater participation in school planning, review, and
 6 improvement experienced by parents.”.

7 **SEC. 222. PARENTAL ASSISTANCE.**

8 Part D of title I (20 U.S.C. 6421 et seq.) is amended
 9 to read as follows:

10 **“PART D—PARENTAL ASSISTANCE AND CHILD**
 11 **OPPORTUNITY**

12 **“Subpart I—Parental Assistance”.**

13 **“SEC. 1401. PARENTAL INFORMATION AND RESOURCE CEN-**
 14 **TERS.**

15 “(a) PURPOSE.—The purpose of this part is—

16 “(1) to provide leadership, technical assistance,
 17 and financial support to nonprofit organizations and
 18 local educational agencies to help the organizations
 19 and agencies implement successful and effective pa-
 20 rental involvement policies, programs, and activities
 21 that lead to improvements in student performance;

22 “(2) to strengthen partnerships among parents
 23 (including parents of preschool age children), teach-
 24 ers, principals, administrators, and other school per-
 25 sonnel in meeting the educational needs of children;

1 “(3) to develop and strengthen the relationship
2 between parents and the school;

3 “(4) to further the developmental progress pri-
4 marily of children assisted under this part; and

5 “(5) to coordinate activities funded under this
6 part with parental involvement initiatives funded
7 under section 1118 and other provisions of this Act.

8 “(b) GRANTS AUTHORIZED.—

9 “(1) IN GENERAL.—The Secretary is authorized
10 to award grants in each fiscal year to nonprofit or-
11 ganizations, and nonprofit organizations in consortia
12 with local educational agencies, to establish school-
13 linked or school-based parental information and re-
14 source centers that provide training, information,
15 and support to—

16 “(A) parents of children enrolled in ele-
17 mentary schools and secondary schools;

18 “(B) individuals who work with the par-
19 ents described in subparagraph (A); and

20 “(C) State educational agencies, local edu-
21 cational agencies, schools, organizations that
22 support family-school partnerships (such as
23 parent-teacher associations), and other organi-
24 zations that carry out parent education and
25 family involvement programs.

1 “(2) AWARD RULE.—In awarding grants under
 2 this part, the Secretary shall ensure that such
 3 grants are distributed in all geographic regions of
 4 the United States.

5 **“SEC. 1402. APPLICATIONS.**

6 “(a) GRANTS APPLICATIONS.—

7 “(1) IN GENERAL.—Each nonprofit organiza-
 8 tion or nonprofit organization in consortium with a
 9 local educational agency that desires a grant under
 10 this part shall submit an application to the Sec-
 11 retary at such time and in such manner as the Sec-
 12 retary shall require.

13 “(2) CONTENTS.—Each application submitted
 14 under paragraph (1), at a minimum, shall include
 15 assurances that the organization or consortium
 16 will—

17 “(A)(i) be governed by a board of directors
 18 the membership of which includes parents; or

19 “(ii) be an organization or consortium that
 20 represents the interests of parents;

21 “(B) establish a special advisory committee
 22 the membership of which includes—

23 “(i) parents described in section
 24 1401(b)(1)(A);

1 “(ii) representatives of education pro-
2 fessionals with expertise in improving serv-
3 ices for disadvantaged children; and

4 “(iii) representatives of local elemen-
5 tary schools and secondary schools who
6 may include students and representatives
7 from local youth organizations;

8 “(C) use at least $\frac{1}{2}$ of the funds provided
9 under this part in each fiscal year to serve
10 areas with high concentrations of low-income
11 families in order to serve parents who are se-
12 verely educationally or economically disadvan-
13 taged;

14 “(D) operate a center of sufficient size,
15 scope, and quality to ensure that the center is
16 adequate to serve the parents in the area;

17 “(E) serve both urban and rural areas;

18 “(F) design a center that meets the unique
19 training, information, and support needs of par-
20 ents described in section 1401(b)(1)(A), par-
21 ticularly such parents who are educationally or
22 economically disadvantaged;

23 “(G) demonstrate the capacity and exper-
24 tise to conduct the effective training, informa-

1 tion and support activities for which assistance
2 is sought;

3 “(H) network with—

4 “(i) local educational agencies and
5 schools;

6 “(ii) parents of children enrolled in el-
7 ementary schools and secondary schools;

8 “(iii) parent training and information
9 centers assisted under section 682 of the
10 Individuals with Disabilities Education
11 Act;

12 “(iv) clearinghouses; and

13 “(v) other organizations and agencies;

14 “(I) focus on serving parents described in
15 section 1401(b)(1)(A) who are parents of low-
16 income, minority, and limited English pro-
17 ficient, children;

18 “(J) use part of the funds received under
19 this part to establish, expand, or operate Par-
20 ents as Teachers programs or Home Instruction
21 for Preschool Youngsters programs;

22 “(K) provide assistance to parents in such
23 areas as understanding State and local stand-
24 ards and measures of student and school per-
25 formance; and

1 “(L) work with State and local educational
2 agencies to determine parental needs and deliv-
3 ery of services.

4 “(b) GRANT RENEWAL.—For each fiscal year after
5 the first fiscal year an organization or consortium receives
6 assistance under this part, the organization or consortium
7 shall demonstrate in the application submitted for such
8 fiscal year after the first fiscal year that a portion of the
9 services provided by the organization or consortium is sup-
10 ported through non-Federal contributions, which contribu-
11 tions may be in cash or in kind.

12 **“SEC. 1403. USES OF FUNDS.**

13 “(a) IN GENERAL.—Grant funds received under this
14 part shall be used—

15 “(1) to assist parents in participating effectively
16 in their children’s education and to help their chil-
17 dren meet State and local standards, such as assist-
18 ing parents—

19 “(A) to engage in activities that will im-
20 prove student performance, including under-
21 standing the accountability systems in place
22 within their State educational agency and local
23 educational agency and understanding their
24 children’s educational performance in compari-
25 son to State and local standards;

1 “(B) to provide followup support for their
2 children’s educational achievement;

3 “(C) to communicate effectively with
4 teachers, principals, counselors, administrators,
5 and other school personnel;

6 “(D) to become active participants in the
7 development, implementation, and review of
8 school-parent compacts, parent involvement
9 policies, and school planning and improvement;

10 “(E) to participate in the design and provi-
11 sion of assistance to students who are not mak-
12 ing adequate educational progress;

13 “(F) to participate in State and local deci-
14 sionmaking; and

15 “(G) to train other parents;

16 “(2) to obtain information about the range of
17 options, programs, services, and resources available
18 at the national, State, and local levels to assist par-
19 ents and school personnel who work with parents;

20 “(3) to help the parents learn and use the tech-
21 nology applied in their children’s education;

22 “(4) to plan, implement, and fund activities for
23 parents that coordinate the education of their chil-
24 dren with other Federal programs that serve their
25 children or their families; and

1 “(5) to provide support for State or local edu-
2 cational personnel if the participation of such per-
3 sonnel will further the activities assisted under the
4 grant.

5 “(b) PERMISSIVE ACTIVITIES.—Grant funds received
6 under this part may be used to assist schools with activi-
7 ties such as—

8 “(1) developing and implementing their plans
9 or activities under sections 1118 and 1119; and

10 “(2) developing and implementing school im-
11 provement plans, including addressing problems that
12 develop in the implementation of sections 1118 and
13 1119.

14 “(3) providing information about assessment
15 and individual results to parents in a manner and a
16 language the family can understand;

17 “(4) coordinating the efforts of Federal, State,
18 and local parent education and family involvement
19 initiatives; and

20 “(5) providing training, information, and sup-
21 port to—

22 “(A) State educational agencies;

23 “(B) local educational agencies and
24 schools, especially those local educational agen-
25 cies and schools that are low performing; and

1 “(C) organizations that support family-
2 school partnerships.

3 “(c) GRANDFATHER CLAUSE.—The Secretary shall
4 use funds made available under this part to continue to
5 make grant or contract payments to each entity that was
6 awarded a multiyear grant or contract under title IV of
7 the Goals 2000: Educate America Act (as such title was
8 in effect on the day before the date of enactment of the
9 Educational Excellence for All Learners Act of 2001) for
10 the duration of the grant or contract award.

11 **“SEC. 1403A. LOCAL FAMILY INFORMATION CENTERS.**

12 “(a) CENTERS AUTHORIZED.—The Secretary shall
13 award grants to, and enter into contracts and cooperative
14 agreements with, local nonprofit parent organizations to
15 enable the organizations to support local family informa-
16 tion centers that help ensure that parents of students in
17 schools assisted under part A have the training, informa-
18 tion, and support the parents need to enable the parents
19 to participate effectively in helping their children to meet
20 challenging State standards.

21 “(b) DEFINITION OF LOCAL NONPROFIT PARENT
22 ORGANIZATION.—In this section, the term ‘local nonprofit
23 parent organization’ means a private nonprofit organiza-
24 tion (other than an institution of higher education) that—

1 “(1) has a demonstrated record of working with
2 low-income individuals and parents;

3 “(2)(A) has a board of directors the majority of
4 whom are parents of students in schools that are as-
5 sisted under part A and located in the geographic
6 area to be served by the center; or

7 “(B) has a special governing committee to di-
8 rect and implement the center, a majority of the
9 members of whom are parents of students in schools
10 assisted under part A; and

11 “(3) is located in a community with schools
12 that receive funds under part A, and is accessible to
13 the families of students in those schools.

14 “(c) REQUIRED CENTER ACTIVITIES.—Each center
15 assisted under this section shall be exempt from the uses
16 of funds requirements under section 1403 and shall
17 instead—

18 “(1) provide training, information, and support
19 that meets the needs of parents of children in
20 schools assisted under part A who are served
21 through the grant, contract, or cooperative agree-
22 ment, particularly underserved parents, low-income
23 parents, parents of students with limited English
24 proficiency, parents of students with disabilities, and
25 parents of students in schools identified for school

1 improvement or corrective action under section
2 1116(e);

3 “(2) help families of students enrolled in a
4 school assisted under part A to understand and par-
5 ticipate in all of the provisions of this Act designed
6 to improve the achievement of students in the
7 school;

8 “(3) provide information in a language and
9 form that parents understand, including taking steps
10 to ensure that underserved parents, low-income par-
11 ents, parents with limited English proficiency, par-
12 ents of students with disabilities, or parents of stu-
13 dents in schools identified for school improvement or
14 corrective action, are effectively informed and as-
15 sisted;

16 “(4) assist parents to—

17 “(A) understand what their child’s school
18 is doing to enable students at the school to
19 meet the State and local standards, including
20 understanding the curriculum and instructional
21 methods the school is using to help the students
22 meet the standards;

23 “(B) better understand their child’s edu-
24 cational needs, where their child stands with re-
25 spect to State standards, how the school is ad-

1 dressing the child’s education needs, and how
 2 they can work with their child to increase the
 3 child’s academic achievement;

4 “(C) participate in the decisionmaking
 5 processes at the school, school district, and
 6 State levels;

7 “(D) understand and benefit from the pro-
 8 visions of other Federal education programs;
 9 and

10 “(E) understand public school choice op-
 11 tions available in the local community, including
 12 magnet schools, charter schools, and alternative
 13 schools;

14 “(5) be designed to meet the specific needs of
 15 families who experience significant isolation from
 16 available sources of information and support; and

17 “(6) report annually to the Secretary regarding
 18 measures, determined by the Secretary, that indicate
 19 the program’s effectiveness in reaching underserved
 20 parents and developing meaningful parent involve-
 21 ment in schools assisted under part A.

22 “(c) APPLICATION REQUIREMENTS.—Each local non-
 23 profit parent organization desiring assistance under this
 24 section shall submit to the Secretary an application (in
 25 place of the application required under section 1402) at

1 such time, in such manner, and accompanied by such in-
2 formation as the Secretary may require. Each such appli-
3 cation shall—

4 “(1) describe how the organization will use the
5 assistance to help families under this section;

6 “(2) describe what steps the organization has
7 taken to meet with school district or school per-
8 sonnel in the geographic area to be served by the
9 center in order to inform the personnel of the plan
10 and application for the assistance; and

11 “(3) identify with specificity the special efforts
12 that the organization will take—

13 “(A) to ensure that the needs for training,
14 information, and support for parents of stu-
15 dents in schools assisted under part A, particu-
16 larly underserved parents, low-income parents,
17 parents with limited English proficiency, par-
18 ents of students with disabilities, and parents of
19 students in schools identified for school im-
20 provement or corrective action, are effectively
21 met; and

22 “(B) to work with community-based orga-
23 nizations.

24 “(d) DISTRIBUTION OF FUNDS.—

1 “(1) ALLOCATION OF FUNDS.—The Secretary
2 shall make at least 2 awards of assistance under this
3 section to a local nonprofit parent organization in
4 each State, unless the Secretary does not receive at
5 least 2 applications from such organizations in a
6 State of sufficient quality to warrant providing the
7 assistance in the State.

8 “(2) SELECTION REQUIREMENT FOR LOCAL
9 FAMILY INFORMATION CENTERS.—

10 “(A) IN GENERAL.—The Secretary shall
11 select local nonprofit parent organizations in a
12 State to receive assistance under this section in
13 a manner that ensures the provision of the most
14 effective assistance to low-income parents of
15 students in schools assisted under part A.

16 “(B) PRIORITY.—The Secretary shall give
17 priority to—

18 “(i) non-profit parent organizations
19 that are located in rural and urban areas
20 in the State where the percentage of stu-
21 dents from families at or below the poverty
22 line is greater than the median, as deter-
23 mined by the State; and

24 “(ii) areas with high school dropout
25 rates, high percentages of limited English

1 proficient students, or schools identified
2 for school improvement or corrective action
3 under section 1116(c).

4 **“SEC. 1404. TECHNICAL ASSISTANCE.**

5 “The Secretary shall provide technical assistance, by
6 grant or contract, for the establishment, development, and
7 coordination of parent training, information, and support
8 programs and parental information and resource centers.

9 **“SEC. 1405. REPORTS.**

10 “(a) INFORMATION.—Each organization or consor-
11 tium receiving assistance under this part shall submit to
12 the Secretary, on an annual basis, information concerning
13 the parental information and resource centers assisted
14 under this part, including—

15 “(1) the number of parents (including the num-
16 ber of minority and limited English proficient par-
17 ents) who receive information and training;

18 “(2) the types and modes of training, informa-
19 tion, and support provided under this part;

20 “(3) the strategies used to reach and serve par-
21 ents of minority and limited English proficient chil-
22 dren, parents with limited literacy skills, and other
23 parents in need of the services provided under this
24 part;

1 “(4) the parental involvement policies and prac-
 2 tices used by the center and an evaluation of wheth-
 3 er such policies and practices are effective in improv-
 4 ing home-school communication, student achieve-
 5 ment, student and school performance, and parental
 6 involvement in school planning, review, and improve-
 7 ment; and

8 “(5) the effectiveness of the activities that local
 9 educational agencies and schools are carrying out
 10 with regard to parental involvement and other activi-
 11 ties assisted under this Act that lead to improved
 12 student achievement and improved student and
 13 school performance.

14 “(b) DISSEMINATION.—The Secretary annually shall
 15 disseminate, widely to the public and to Congress, the in-
 16 formation that each organization or consortium submits
 17 under subsection (a) to the Secretary.

18 **“SEC. 1406. GENERAL PROVISIONS.**

19 “Notwithstanding any other provision of this part—

20 “(1) no person, including a parent who edu-
 21 cates a child at home, a public school parent, or a
 22 private school parent, shall be required to participate
 23 in any program of parent education or develop-
 24 mental screening pursuant to the provisions of this
 25 part; and

1 “(2) no program or center assisted under this
 2 part shall take any action that infringes in any man-
 3 ner on the right of a parent to direct the education
 4 of their children.”.

5 **TITLE III—NATIONAL PRIOR-**
 6 **ITIES WITH PROVEN EFFEC-**
 7 **TIVENESS**

8 **Subtitle A—Qualified Teacher in**
 9 **Every Classroom**

10 **SEC. 301. TEACHER QUALITY.**

11 (a) IN GENERAL.—Title II (20 U.S.C. 6601 et seq.)
 12 is amended by striking the title heading and all that fol-
 13 lows through the end of part A and inserting the following:

14 **“TITLE II—QUALIFIED TEACHER**
 15 **IN EVERY CLASSROOM**

16 **“PART A—TEACHER QUALITY**

17 **“SEC. 2001. PURPOSES.**

18 “The purposes of this part are the following:

19 “(1) To improve student achievement in order
 20 to help every student meet State content and stu-
 21 dent performance standards.

22 “(2) To—

23 “(A) enable States, local educational agen-
 24 cies, and schools to improve the quality and
 25 success of the teaching force by providing all

1 teachers, including beginning and veteran
 2 teachers, with the support those teachers need
 3 to succeed and stay in teaching, by providing
 4 professional development and mentoring pro-
 5 grams for teachers, by offering incentives for
 6 additional qualified individuals to go into teach-
 7 ing, by reducing out-of-field placement of teach-
 8 ers, and by reducing the number of teachers
 9 with emergency credentials; and

10 “(B) hold the States, agencies, and schools
 11 accountable for such improvements.

12 “(3) To support State and local efforts to re-
 13 cruit qualified teachers to address teacher shortages,
 14 particularly in communities with the greatest need.

15 “(4) To ensure that underqualified and inexpe-
 16 rienced teachers do not teach higher percentages of
 17 low-income students and minority students than
 18 other students.

19 **“SEC. 2002. DEFINITIONS.**

20 “In this part:

21 “(1) BEGINNING TEACHER.—The term ‘begin-
 22 ning teacher’ means a fully qualified teacher who
 23 has taught for 3 years or less.

24 “(2) CORE ACADEMIC SUBJECTS.—The term
 25 ‘core academic subjects’ means—

1 “(A) mathematics;

2 “(B) science;

3 “(C) reading (or language arts) and
4 English;

5 “(D) social studies (consisting of history,
6 civics, government, geography, and economics);

7 “(E) foreign languages; and

8 “(F) fine arts (consisting of music, dance,
9 drama, and the visual arts).

10 “(3) COVERED RECRUITMENT.—The term ‘cov-
11 ered recruitment’ means activities described in sec-
12 tion 2017(c).

13 “(4) FULLY QUALIFIED.—

14 “(A) IN GENERAL.—The term ‘fully quali-
15 fied’, used with respect to a teacher, means a
16 teacher who—

17 “(i)(I) is certified or licensed and has
18 demonstrated the academic subject knowl-
19 edge, teaching knowledge, and teaching
20 skills necessary to teach effectively in the
21 academic subject in which the teacher
22 teaches, according to the standards de-
23 scribed in subparagraph (B) or (C), as ap-
24 propriate; and

1 “(II) shall not be a teacher for whom
2 State certification or licensing require-
3 ments have been waived or who is teaching
4 under an emergency; or

5 “(ii) meets the standards of the Na-
6 tional Board for Professional Teaching
7 Standards.

8 “(B) ELEMENTARY SCHOOL INSTRU-
9 TIONAL STAFF.—For purposes of complying
10 with subparagraph (A)(i), each elementary
11 school teacher (other than a middle school
12 teacher) in the State shall, at a minimum—

13 “(i) have State certification or a State
14 license to teach (which may include certifi-
15 cation or licensing obtained through alter-
16 native routes); and

17 “(ii) hold a bachelor’s degree and
18 demonstrate the academic subject knowl-
19 edge, teaching knowledge, and teaching
20 skills required to teach effectively in read-
21 ing, writing, mathematics, social studies,
22 science, and other academic subjects.

23 “(C) MIDDLE SCHOOL AND SECONDARY
24 SCHOOL INSTRUCTIONAL STAFF.—For purposes
25 of complying with subparagraph (A)(i), each

1 middle school or secondary school teacher in the
 2 State shall, at a minimum—

3 “(i) have State certification or a State
 4 license to teach (which may include certifi-
 5 cation or licensing obtained through alter-
 6 native routes); and

7 “(ii) hold a bachelor’s degree or high-
 8 er degree and demonstrate a high level of
 9 competence in all academic subjects in
 10 which the teacher teaches through—

11 “(I) achievement of a high level
 12 of performance on rigorous academic
 13 subject tests;

14 “(II) completion of an academic
 15 major (or courses totaling an equiva-
 16 lent number of credit hours) in each
 17 of the academic subjects in which the
 18 teacher teaches; or

19 “(III) for a teacher hired prior to
 20 the date of enactment of the Edu-
 21 cational Opportunities Act, completion
 22 of appropriate coursework for mastery
 23 of such academic subjects.

24 “(5) HIGH-POVERTY.—The term ‘high-poverty’,
 25 used with respect to a school, means a school that

1 serves a high number or percentage of children from
 2 families with incomes below the poverty line, as de-
 3 termined by the State in which the school is located.

4 “(6) HIGH-POVERTY LOCAL EDUCATIONAL
 5 AGENCY.—The term ‘high-poverty local educational
 6 agency’ means a local educational agency for which
 7 the number of children served by the agency who are
 8 age 5 through 17, and from families with incomes
 9 below the poverty line—

10 “(A) is not less than 20 percent of the
 11 number of all children served by the agency; or

12 “(B) is more than 10,000.

13 “(7) INSTITUTION OF HIGHER EDUCATION.—
 14 The term ‘institution of higher education’—

15 “(A) has the meaning given the term in
 16 section 101(a) of the Higher Education Act of
 17 1965; and

18 “(B) if such an institution prepares teach-
 19 ers and receives Federal funds, means such an
 20 institution that—

21 “(i) is in full compliance with the re-
 22 quirements of section 207 of the Higher
 23 Education Act of 1965; and

1 “(ii) does not have a teacher prepara-
 2 tion program identified by a State as low-
 3 performing.

4 “(8) LOW-PERFORMING SCHOOL.—The term
 5 ‘low-performing school’ means—

6 “(A) a school identified by a local edu-
 7 cational agency for school improvement under
 8 section 1116(c); or

9 “(B) a school in which the great majority
 10 of students, as determined by the State in
 11 which the school is located, fail to meet State
 12 student performance standards based on assess-
 13 ments the local educational agency is using
 14 under part A of title I.

15 “(9) MENTORING.—The term ‘mentoring’
 16 means activities that—

17 “(A) consist of structured guidance and
 18 regular and ongoing support for beginning
 19 teachers, that—

20 “(i) is designed to help the teachers
 21 continue to improve their practice of teach-
 22 ing and to develop their instructional skills;
 23 and

24 “(ii)(I) as part of a multiyear, devel-
 25 opmental induction process;

1 “(II) involves the assistance of a men-
 2 tor teacher and other appropriate individ-
 3 uals from a school, local educational agen-
 4 cy, or institution of higher education; and

5 “(III) may include coaching, class-
 6 room observation, team teaching, and re-
 7 duced teaching loads; and

8 “(B) may include the establishment of a
 9 partnership by a local educational agency with
 10 an institution of higher education, another local
 11 educational agency, teacher organization, or an-
 12 other organization, for the purpose of carrying
 13 out the activities described in subparagraph
 14 (A).

15 “(10) MENTOR TEACHER.—The term ‘mentor
 16 teacher’ means a fully qualified teacher who—

17 “(A) is a highly competent classroom
 18 teacher who is formally selected and trained to
 19 work effectively with beginning teachers (includ-
 20 ing corps members described in section 2018);

21 “(B) is full-time, and is assigned and
 22 qualified to teach in the content area or grade
 23 level in which a beginning teacher (including a
 24 corps member described in section 2018), to

1 whom the teacher provides mentoring, intends
2 to teach;

3 “(C) has been consistently effective in
4 helping diverse groups of students make sub-
5 stantial achievement gains; and

6 “(D) has been selected to provide men-
7 toring through a peer review process that uses,
8 as the primary selection criterion for the proc-
9 ess, the teacher’s ability to help students
10 achieve academic gains.

11 “(11) POVERTY LINE.—The term ‘poverty line’
12 means the income official poverty line (as defined by
13 the Office of Management and Budget, and revised
14 annually in accordance with section 673(2) of the
15 Community Services Block Grant Act (42 U.S.C.
16 9902(2))) applicable to a family of the size involved.

17 “(12) PROFESSIONAL DEVELOPMENT.—The
18 term ‘professional development’ means activities that
19 are—

20 “(A)(i) an integral part of broad
21 schoolwide and districtwide educational im-
22 provement plans and enhance the ability of
23 teachers and other staff to help all students, in-
24 cluding females, students with disabilities, stu-
25 dents with limited English proficiency, and stu-

1 dents who have economic and educational dis-
 2 advantages, meet high State and local content
 3 and student performance standards;

4 “(ii) sustained, intensive, school-embedded,
 5 tied to State standards, and of high quality and
 6 sufficient duration to have a positive and last-
 7 ing impact on classroom instruction (not one-
 8 time workshops); and

9 “(iii) based on the best available research
 10 on teaching and learning; and

11 “(B) described in subparagraphs (A)
 12 through (F) of section 2017(a)(1).

13 “(13) RECRUITMENT ACTIVITIES.—The term
 14 ‘recruitment activities’ means activities carried out
 15 through a teacher corps program as described in sec-
 16 tion 2018 to attract highly qualified individuals, in-
 17 cluding individuals taking nontraditional routes to
 18 teaching, to enter teaching and support the individ-
 19 uals during necessary certification and licensure ac-
 20 tivities.

21 “(14) RECRUITMENT PARTNERSHIP.—The term
 22 ‘recruitment partnership’ means a partnership de-
 23 scribed in section 2015(b)(2).

1 **“SEC. 2003. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out
3 this part—

4 “(1) \$2,000,000,000 for fiscal year 2001, of
5 which—

6 “(A) \$1,730,000,000 shall be made avail-
7 able to carry out subpart 1; and

8 “(B) \$270,000,000 shall be made available
9 to carry out subpart 2, of which—

10 “(i) \$120,000,000 shall be made
11 available to carry out chapter 1 of subpart
12 2;

13 “(ii) \$25,000,000 shall be made avail-
14 able to carry out chapter 2 of subpart 2;

15 “(iii) \$75,000,000 shall be made
16 available to carry out chapter 3 of subpart
17 2; and

18 “(iv) \$50,000,000 shall be made avail-
19 able to carry out chapter 4 of subpart 2;
20 and

21 “(2) such sums as may be necessary for each
22 of fiscal years 2002 through 2005.

1 **“Subpart 1—Grants to States and Local Educational**
 2 **Agencies**

3 **“Chapter 1—Grants and Activities**

4 **“SEC. 2011. ALLOTMENTS TO STATES.**

5 “(a) IN GENERAL.—The Secretary is authorized to
 6 make grants to eligible State educational agencies for the
 7 improvement of teaching and learning through sustained
 8 and intensive high-quality professional development, men-
 9 toring, and recruitment activities (and covered recruit-
 10 ment, at the election of a local educational agency) at the
 11 State and local levels. Each grant shall consist of the allot-
 12 ment determined for the State under subsection (b).

13 “(b) DETERMINATION OF AMOUNT OF ALLOT-
 14 MENT.—

15 “(1) RESERVATION OF FUNDS.—

16 “(A) IN GENERAL.—From the total
 17 amount made available to carry out this sub-
 18 part under section 2003(1) for any fiscal year,
 19 the Secretary shall reserve—

20 “(i) $\frac{1}{2}$ of 1 percent for allotments for
 21 the outlying areas to be distributed among
 22 those outlying areas on the basis of their
 23 relative need, as determined by the Sec-
 24 retary, for professional development and
 25 mentoring and recruitment activities car-

ried out in accordance with the purposes of
this part; and

“(ii) $\frac{1}{2}$ of 1 percent for the Secretary
of the Interior for programs carried out in
accordance with the purposes of this part
to provide professional development and
mentoring and recruitment activities for
teachers and other staff in schools oper-
ated or funded by the Bureau of Indian
Affairs.

“(B) LIMITATION.—Notwithstanding sub-
paragraph (A), the Secretary shall not reserve,
for either the outlying areas under subpara-
graph (A)(i) or the schools operated or funded
by the Bureau of Indian Affairs under subpara-
graph (A)(ii), more than the amount reserved
for those areas or schools for fiscal year 2000
under the authority described in paragraph
(2)(A)(i).

“(2) STATE ALLOTMENTS.—

“(A) HOLD HARMLESS.—

“(i) IN GENERAL.—Subject to sub-
paragraph (B), from the total amount
made available to carry out this subpart
for any fiscal year and not reserved under

1 paragraph (1), the Secretary shall allot to
 2 each of the 50 States, the District of Co-
 3 lumbia, and the Commonwealth of Puerto
 4 Rico an amount equal to the amount that
 5 the State received for fiscal year 2000
 6 under section 2202(b) of this Act (as in ef-
 7 fect on the day before the date of enact-
 8 ment of the Educational Opportunities
 9 Act).

10 “(ii) Ratable Reduction.—If the
 11 total amount made available to carry out
 12 this subpart for any fiscal year and not re-
 13 served under paragraph (1) is insufficient
 14 to pay the full amounts that all States are
 15 eligible to receive under clause (i) for any
 16 fiscal year, the Secretary shall ratably re-
 17 duce such amounts for such fiscal year.

18 “(B) Allotment of Additional
 19 Funds.—

20 “(i) In General.—Subject to clause
 21 (ii), for any fiscal year for which the total
 22 amount made available to carry out this
 23 subpart and not reserved under paragraph
 24 (1) exceeds the total amount made avail-
 25 able to the 50 States, the District of Co-

1 lumbia, and the Commonwealth of Puerto
2 Rico for fiscal year 2000 under the author-
3 ity described in subparagraph (A)(i), the
4 Secretary shall allot to each of those States
5 the sum of—

6 “(I) an amount that bears the
7 same relationship to 40 percent of the
8 excess amount as the number of indi-
9 viduals age 5 through 17 in the State,
10 as determined by the Secretary on the
11 basis of the most recent satisfactory
12 data, bears to the number of those in-
13 dividuals in all such States, as so de-
14 termined; and

15 “(II) an amount that bears the
16 same relationship to 60 percent of the
17 excess amount as the number of indi-
18 viduals age 5 through 17 from fami-
19 lies with incomes below the poverty
20 line in the State, as determined by the
21 Secretary on the basis of the most re-
22 cent satisfactory data, bears to the
23 number of those individuals in all
24 such States, as so determined.

1 “(ii) EXCEPTION.—No State receiving
 2 an allotment under clause (i) may receive
 3 less than $\frac{1}{2}$ of 1 percent of the total ex-
 4 cess amount allotted under clause (i) for a
 5 fiscal year.

6 “(3) REALLOTMENT.—If any State described in
 7 paragraph (2) does not apply for an allotment under
 8 paragraph (2) for any fiscal year, the Secretary shall
 9 reallot such amount to the remaining such States in
 10 accordance with paragraph (2).

11 **“SEC. 2012. STATE APPLICATIONS.**

12 “(a) APPLICATIONS REQUIRED.—

13 “(1) IN GENERAL.—Each State desiring to re-
 14 ceive a grant under this subpart shall submit an ap-
 15 plication to the Secretary at such time, in such man-
 16 ner, and containing such information as the Sec-
 17 retary may reasonably require.

18 “(2) DEVELOPMENT.—The State educational
 19 agency shall develop the State application—

20 “(A) in consultation with the State agency
 21 for higher education, community-based and
 22 other nonprofit organizations, and institutions
 23 of higher education; and

1 “(B) with the extensive participation of
2 teachers, teacher educators, school administra-
3 tors, and content specialists.

4 “(b) CONTENTS.—Each such application shall
5 include—

6 “(1) a description of the State’s shortages of
7 fully qualified teachers relating to high-poverty
8 school districts and high-need academic subjects (as
9 such districts or subjects are determined by the
10 State);

11 “(2) an assessment of the need for professional
12 development for veteran teachers in the State and
13 the need for strong mentoring programs for begin-
14 ning teachers that is—

15 “(A) developed with the involvement of
16 teachers; and

17 “(B) based on student achievement data in
18 the core academic subjects and other indicators
19 of the need for professional development and
20 mentoring programs;

21 “(3) a description of how the State educational
22 agency will use funds made available under this part
23 to improve the quality of the State’s teaching force,
24 eliminate the use of out-of-field placement of teach-
25 ers, and eliminate the use of teachers hired with

1 emergency or other provisional credentials by setting
2 numerical, annual improvement goals, and meet the
3 requirements of this section;

4 “(4) a description of how the State educational
5 agency will align activities assisted under this sub-
6 part with State content and student performance
7 standards, and State assessments by setting numer-
8 ical, annual improvement goals;

9 “(5) a description of how the State educational
10 agency will coordinate activities funded under this
11 subpart with professional development and men-
12 toring and recruitment activities that are supported
13 with funds from other relevant Federal and non-
14 Federal programs;

15 “(6) a plan, developed with the extensive par-
16 ticipation of teachers, for addressing long-term
17 teacher recruitment, retention, and professional de-
18 velopment and mentoring needs, which may
19 include—

20 “(A) providing technical assistance to help
21 school districts reform hiring and employment
22 practices to improve the recruitment and reten-
23 tion of fully qualified teachers, especially with
24 respect to high-poverty schools; or

1 “(B) establishing State or regional part-
2 nerships to address teacher shortages;

3 “(7) a description of how the State educational
4 agency will assist local educational agencies in imple-
5 menting effective and sustained professional develop-
6 ment and mentoring activities and high-quality re-
7 cruitment activities under this part;

8 “(8) an assurance that the State will consist-
9 ently monitor the progress of each local educational
10 agency and school in the State in achieving the goals
11 specified in the information submitted under para-
12 graphs (1) through (7);

13 “(9) a description of how the State educational
14 agency will work with recipients of grants awarded
15 for recruitment activities under section 2015(b) to
16 ensure that recruits who successfully complete a
17 teacher corps program will be certified or licensed;
18 and

19 “(10) the assurances and description referred
20 to in section 2021.

21 “(c) APPROVAL.—The Secretary shall, using a peer-
22 review process, approve a State application if the applica-
23 tion meets the requirements of this section and holds rea-
24 sonable promise of achieving the purposes of this part.

1 **“SEC. 2013. STATE USE OF FUNDS.**

2 “(a) IN GENERAL.—Of the funds allotted to a State
3 under section 2011 for a fiscal year—

4 “(1) not more than 6 percent shall be used by
5 the State educational agency to carry out State ac-
6 tivities described in section 2014, or for the adminis-
7 tration of this subpart (other than the administra-
8 tion of section 2019 but including the administration
9 of State activities under chapter 2), except that not
10 more than 3 percent of the allotted funds may be
11 used for the administration of this subpart;

12 “(2) 60 percent shall be used by the State edu-
13 cational agency to provide grants to local edu-
14 cational agencies under section 2015(a) for profes-
15 sional development and mentoring (except as pro-
16 vided in section 2017(c));

17 “(3) 30 percent shall be used by the State edu-
18 cational agency—

19 “(A) except as provided in subparagraph
20 (B), to provide grants to recruitment partner-
21 ships under section 2015(b) for recruitment ac-
22 tivities; or

23 “(B) if the State educational agency deter-
24 mines that all elementary school and secondary
25 school teachers in the State that are teaching
26 core academic subjects are fully qualified, to

1 provide the grants described in paragraph (2);
 2 and

3 “(4) 4 percent (or 4 percent of the amount the
 4 State would have been allotted if the appropriation
 5 for this subpart were \$1,730,000,000, whichever is
 6 greater) shall be used by the State agency for higher
 7 education to provide grants to partnerships under
 8 section 2019.

9 “(b) PRIORITY FOR PROFESSIONAL DEVELOPMENT
 10 AND MENTORING IN MATHEMATICS AND SCIENCE.—

11 “(1) PRIORITY.—

12 “(A) APPROPRIATIONS OF NOT MORE
 13 THAN \$300,000,000.—Except as provided in sec-
 14 tion 2017(c), for any fiscal year for which the
 15 appropriation for this subpart is \$300,000,000
 16 or less, each State educational agency that re-
 17 ceives funds under this subpart, working jointly
 18 with the State agency for higher education,
 19 shall ensure that all funds received under this
 20 subpart are used for—

21 “(i) professional development and
 22 mentoring in mathematics and science that
 23 is aligned with State content and student
 24 performance standards; and

1 “(ii) recruitment activities to attract
2 fully qualified math and science teachers to
3 high-poverty schools.

4 “(B) APPROPRIATION OF MORE THAN
5 \$300,000,000.—Except as provided in section
6 2017(c), for any fiscal year for which the ap-
7 propriation for this subpart is greater than
8 \$300,000,000, the State educational agency
9 and the State agency for higher education shall
10 jointly ensure that the total amount of funds
11 that the agencies receive under this subpart and
12 that the agencies use for activities described in
13 subparagraph (A) is at least as great as the al-
14 lotment the State would have received if that
15 appropriation had been \$300,000,000.

16 “(2) INTERDISCIPLINARY ACTIVITIES.—A State
17 may use funds received under this subpart for activi-
18 ties that focus on more than 1 core academic sub-
19 ject, and apply the funds toward meeting the re-
20 quirements of paragraph (1), if the activities include
21 a strong focus on improving instruction in mathe-
22 matics or science.

23 “(3) ADDITIONAL FUNDS.—Except as provided
24 in section 2017(c), each State educational agency
25 that receives funds under this subpart and the State

1 agency for higher education shall jointly ensure that
 2 any portion of the funds that exceeds the amount re-
 3 quired by paragraph (1) to be spent on activities de-
 4 scribed in paragraph (1)(A) is used to provide—

5 “(A) professional development and men-
 6 toring in 1 or more of the core academic sub-
 7 jects that is aligned with State content and stu-
 8 dent performance standards; and

9 “(B) recruitment activities involving teach-
 10 ers of 1 or more of the core academic subjects.

11 **“SEC. 2014. STATE LEVEL ACTIVITIES.**

12 “(a) ACTIVITIES.—Each State educational agency
 13 that receives a grant described in section 2011 shall use
 14 the funds made available under section 2013(a)(1) to
 15 carry out statewide strategies and activities to improve
 16 teacher quality, including—

17 “(1) establishing, expanding, or improving al-
 18 ternative routes to State certification or licensing of
 19 teachers, for highly qualified individuals with a bac-
 20 calaureate degree, mid-career professionals from
 21 other occupations, or paraprofessionals, that are at
 22 least as rigorous as the State’s standards for initial
 23 certification or licensing of teachers;

24 “(2) developing or improving evaluation systems
 25 to evaluate the effectiveness of professional develop-

1 ment and mentoring and recruitment activities in
2 improving teacher quality, skills, and content knowl-
3 edge, and the impact of the professional development
4 and mentoring and recruitment activities on increas-
5 ing student academic achievement and student per-
6 formance with performance measures drawn from
7 assessments that objectively measure student
8 achievement against State performance standards;

9 “(3) funding projects to promote reciprocity of
10 teacher certification or licensure between or among
11 States;

12 “(4) providing assistance to local educational
13 agencies to reduce out-of-field placements and the
14 use of emergency credentials;

15 “(5) supporting certification by the National
16 Board for Professional Teaching Standards of teach-
17 ers who are teaching or will teach in high-poverty
18 schools;

19 “(6) providing assistance to local educational
20 agencies in implementing effective programs of re-
21 cruitment activities, and professional development
22 and mentoring, including supporting efforts to en-
23 courage and train teachers to become mentor teach-
24 ers;

1 “(7) increasing the rigor and quality of State
 2 certification and licensure tests for individuals enter-
 3 ing the field of teaching, including subject matter
 4 tests for elementary, middle and secondary school
 5 teachers; and

6 “(8) implementing teacher recognition pro-
 7 grams.

8 “(b) COORDINATION.—A State that receives a grant
 9 to carry out this subpart and a grant under section 202
 10 of the Higher Education Act of 1965 shall coordinate the
 11 activities carried out under this section and the activities
 12 carried out under that section 202.

13 **“SEC. 2015. GRANTS TO LOCAL EDUCATIONAL AGENCIES.**

14 “(a) GRANTS FOR PROFESSIONAL DEVELOPMENT
 15 AND MENTORING ACTIVITIES.—

16 “(1) IN GENERAL.—The State educational
 17 agency of a State that receives a grant described in
 18 section 2011 shall use the funds made available
 19 under section 2013(a)(2) (and any funds made
 20 available under section 2013(a)(3)(B)) to make
 21 grants to eligible local educational agencies, from al-
 22 locations made under paragraph (2), to carry out
 23 the activities described in section 2017(a) (except as
 24 provided in section 2017(c)).

1 “(2) ALLOCATIONS.—The State educational
2 agency shall allocate to each eligible local edu-
3 cational agency the sum of—

4 “(A) an amount that bears the same rela-
5 tionship to 20 percent of the funds described in
6 paragraph (1) as the number of individuals en-
7 rolled in public and private nonprofit elemen-
8 tary schools and secondary schools in the geo-
9 graphic area served by the agency bears to the
10 number of those individuals in the geographic
11 areas served by all the local educational agen-
12 cies in the State; and

13 “(B) an amount that bears the same rela-
14 tionship to 80 percent of the funds as the num-
15 ber of individuals age 5 through 17 from fami-
16 lies with incomes below the poverty line, in the
17 geographic area served by the agency, as deter-
18 mined by the Secretary on the basis of the most
19 recent satisfactory data, bears to the number of
20 those individuals in the geographic areas served
21 by all the local educational agencies in the
22 State, as so determined.

23 “(3) ELIGIBILITY.—To be eligible to receive a
24 grant from a State educational agency under this

1 subsection, a local educational agency shall serve
2 schools that include—

3 “(A) high-poverty schools;

4 “(B) schools that need support for improv-
5 ing teacher quality based on low achievement of
6 students served;

7 “(C) schools that have low teacher reten-
8 tion rates;

9 “(D) schools that need to improve or ex-
10 pand the knowledge and skills of new and vet-
11 eran teachers in high-priority content areas;

12 “(E) schools that have high out-of-field
13 placement rates; or

14 “(F) high-poverty schools that have been
15 identified for improvement in accordance with
16 section 1116.

17 “(4) EQUITABLE GEOGRAPHIC DISTRIBUTION.—A State educational agency shall ensure an
18 equitable distribution of grants under this subsection
19 among eligible local educational agencies serving
20 urban and rural areas.

22 “(b) GRANTS FOR RECRUITMENT ACTIVITIES.—

23 “(1) IN GENERAL.—The State educational
24 agency of a State that receives a grant under section
25 2011 shall use the funds made available under sec-

tion 2013(a)(3)(A) to make grants to eligible recruitment partnerships, on a competitive basis, to carry out the recruitment activities and meet requirements described in section 2017(b).

“(2) ELIGIBILITY.—

“(A) IN GENERAL.—To be eligible to receive a grant from a State educational agency under this subsection, a recruitment partnership—

“(i) shall include an eligible local educational agency, or a consortium of eligible local educational agencies;

“(ii) shall include an institution of higher education, a tribal college, or a community college; and

“(iii) may include other members, such as a nonprofit organization or professional education organization.

“(B) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—In subparagraph (A), the term ‘eligible local educational agency’ means a local educational agency that receives assistance under part A of title I, and meets any additional eligibility criteria that the appropriate State educational agency may establish.

1 “(3) EQUITABLE GEOGRAPHIC DISTRIBU-
2 TION.—A State educational agency shall ensure an
3 equitable distribution of grants under this subsection
4 among eligible recruitment partnerships serving
5 urban and rural areas.

6 **“SEC. 2016. LOCAL APPLICATIONS.**

7 “(a) IN GENERAL.—A local educational agency or a
8 recruitment partnership seeking to receive a grant from
9 a State under section 2015 to carry out activities de-
10 scribed in section 2017 shall submit an application to the
11 State at such time, in such manner, and containing such
12 information as the State may reasonably require.

13 “(b) CONTENTS RELATING TO PROFESSIONAL DE-
14 VELOPMENT AND MENTORING ACTIVITIES.—If the local
15 educational agency seeks a grant under section 2015(a)
16 to carry out activities described in section 2017(a), the
17 local application described in subsection (a) shall include,
18 at a minimum, the following:

19 “(1) A description of how the local educational
20 agency intends to use the funds provided through
21 the grant to carry out activities that meet require-
22 ments described in section 2017(a).

23 “(2) An assurance that the local educational
24 agency will target the funds to high-poverty, low-per-

1 forming schools served by the local educational agen-
2 cy that—

3 “(A) have the lowest proportions of quali-
4 fied teachers;

5 “(B) are identified for school improvement
6 and corrective action under section 1116; or

7 “(C) are identified for school improvement
8 in accordance with other measures of school
9 quality as determined and documented by the
10 local educational agency.

11 “(3) A description of how the local educational
12 agency will coordinate professional development and
13 mentoring activities described in section 2017(a)
14 with professional development and mentoring activi-
15 ties provided through other Federal, State, and local
16 programs, including programs authorized under—

17 “(A) titles I, IV, and V, and part A of title
18 VII; and

19 “(B) where applicable, the Individuals with
20 Disabilities Education Act, the Carl D. Perkins
21 Vocational and Technical Education Act of
22 1998, and title II of the Higher Education Act
23 of 1965.

24 “(4) A description of how the local educational
25 agency will integrate funds received to carry out ac-

1 activities described in section 2017(a) with funds re-
2 ceived under title V that are used for professional
3 development and mentoring in order to carry out
4 professional development and mentoring activities
5 that—

6 “(A) train teachers, paraprofessionals,
7 counselors, pupil services personnel, administra-
8 tors, and other school staff, including school li-
9 brary media specialists, in how to use tech-
10 nology to improve learning and teaching; and

11 “(B) take into special consideration the
12 different learning needs for, and exposures to,
13 technology for all students, including females,
14 students with disabilities, students with limited
15 English proficiency, and students who have eco-
16 nomic and educational disadvantages.

17 “(5) A description of how the local application
18 was developed with extensive participation of teach-
19 ers, paraprofessionals, principals, and parents.

20 “(6) A description of how the professional de-
21 velopment and mentoring activities described in sec-
22 tion 2017(a) will address the ongoing professional
23 development and mentoring of teachers, paraprofes-
24 sionals, counselors, pupil services personnel, admin-

1 istrators, and other school staff, including school li-
 2 brary media specialists.

3 “(7) A description of how the professional de-
 4 velopment and mentoring activities described in sec-
 5 tion 2017(a) will have a substantial, measurable,
 6 and positive impact on student achievement and how
 7 the activities will be used as part of a broader strat-
 8 egy to eliminate the achievement gap that separates
 9 low-income and minority student from other stu-
 10 dents.

11 “(8) A description of how the local educational
 12 agency will address the needs of teachers of students
 13 with disabilities, students with limited English pro-
 14 ficiency, and other students with special needs.

15 “(9) A description of how the local educational
 16 agency will provide training to teachers to enable the
 17 teachers to work with parents, involve parents in
 18 their child’s education, and encourage parents to be-
 19 come collaborators with schools in promoting their
 20 child’s education.

21 “(10) The assurances and description referred
 22 to in section 2023, with respect to professional de-
 23 velopment and mentoring activities.

24 “(c) DEVELOPMENT AND CONTENTS RELATING TO
 25 RECRUITMENT ACTIVITIES.—If an eligible local edu-

1 cational agency (as defined in section 2015(b)) seeks a
2 grant under section 2015(b) to carry out activities de-
3 scribed in section 2017(b)—

4 “(1) the eligible local educational agency shall
5 enter into a recruitment partnership, which shall
6 jointly prepare and submit the local application de-
7 scribed in subsection (a); and

8 “(2) at a minimum, the application shall
9 include—

10 “(A) a description of how the recruitment
11 partnership will meet the teacher corps program
12 requirements described in section 2018;

13 “(B) a description of the individual and
14 collective responsibilities of members of the re-
15 cruitment partnership in meeting the require-
16 ments and goals of a teacher corps program de-
17 scribed in section 2018;

18 “(C) information demonstrating that the
19 State agency responsible for teacher licensure
20 or certification in the State in which a recruit-
21 ment partnership is established will—

22 “(i) ensure that a corps member who
23 successfully completes a teacher corps pro-
24 gram will have the academic requirements

1 necessary for initial certification or licen-
 2 sure as a teacher in the State; and

3 “(ii) work with the recruitment part-
 4 nership to ensure the partnership uses
 5 high-quality methods and establishes high-
 6 quality requirements concerning alternative
 7 routes to certification or licensing, in order
 8 to meet State requirements for certifi-
 9 cation or licensure; and

10 “(D) the assurances and description re-
 11 ferred to in section 2023, with respect to re-
 12 cruitment activities.

13 “(d) CONTENTS RELATING TO COVERED RECRUIT-
 14 MENT.—If the local educational agency seeks a grant
 15 under section 2015(a) to carry out activities described in
 16 section 2017(c), the local application described in sub-
 17 section (a) shall include, at a minimum, a description of
 18 the activities and the manner in which the activities will
 19 contribute to accomplishing the objectives of section 2023,
 20 and how the activities are in compliance with the require-
 21 ments of this Act.

22 “(e) APPROVAL.—A State educational agency shall
 23 approve a local educational agency’s or recruitment part-
 24 nership’s application under this section only if the State
 25 educational agency determines that the application is of

1 high quality and holds reasonable promise of achieving the
 2 purposes of this part.

3 **“SEC. 2017. LOCAL ACTIVITIES.**

4 “(a) PROFESSIONAL DEVELOPMENT AND MEN-
 5 TORING ACTIVITIES.—Except as provided in subsection
 6 (c), each local educational agency receiving a grant under
 7 section 2015(a) shall use the funds made available
 8 through the grant to carry out activities (and only activi-
 9 ties) that—

10 “(1) are professional development activities (as
 11 defined in section 2002(12)(A)) that—

12 “(A) improve teacher knowledge of—

13 “(i) 1 or more of the core academic
 14 subjects;

15 “(ii) effective instructional strategies,
 16 methods, and skills for improving student
 17 achievement in core academic subjects, in-
 18 cluding strategies for identifying and elimi-
 19 nating gender and racial bias;

20 “(iii) the use of data and assessments
 21 to inform teachers about and thereby help
 22 teachers to improve classroom practice;
 23 and

24 “(iv) innovative instructional meth-
 25 odologies designed to meet the diverse

1 learning needs of individual students, in-
 2 cluding methodologies that integrate aca-
 3 demic and technical skills and applied
 4 learning (such as service learning), meth-
 5 odologies for interactive and interdiscipli-
 6 nary team teaching, and other alternative
 7 teaching strategies, such as strategies for
 8 experiential learning, career-related edu-
 9 cation, and environmental education, that
 10 integrate real world applications into the
 11 core academic subjects;

12 “(B) provide teachers and paraprofes-
 13 sionals (and other staff as appropriate) with in-
 14 formation on recent research findings on how
 15 children learn to read and with staff develop-
 16 ment on research-based instructional strategies
 17 for the teaching of reading;

18 “(C) replicate effective instructional prac-
 19 tices that involve collaborative groups of teach-
 20 ers and administrators from the same school or
 21 district, using strategies such as—

22 “(i) provision of dedicated time for
 23 collaborative lesson planning and cur-
 24 riculum development meetings;

1 “(ii) provision of collaborative profes-
 2 sional development experiences for veteran
 3 teachers based on the standards in the
 4 core academic subjects of the National
 5 Board for Professional Teaching Stand-
 6 ards;

7 “(iii) consultation with exemplary
 8 teachers;

9 “(iv) provision of short-term and long-
 10 term visits to classrooms and schools;

11 “(v) participation of teams of teachers
 12 in summer institutes and summer immer-
 13 sion activities that are focused on pre-
 14 paring teachers to enable all students to
 15 meet high standards in 1 or more of the
 16 core academic subjects; and

17 “(vi) establishment and maintenance
 18 of local professional networks that provide
 19 a forum for interaction among teachers
 20 and administrators and that allow for the
 21 exchange of information on advances in
 22 content knowledge and teaching skills;

23 “(D) provide for the participation of para-
 24 professionals, pupil services personnel, and
 25 other school staff;

1 “(E) include strategies for fostering mean-
 2 ingful parental involvement and relations with
 3 parents to encourage parents to become collabo-
 4 rators in their children’s education, for improv-
 5 ing classroom management and discipline, and
 6 for integrating technology into a curriculum;

7 “(F) as a whole, are regularly evaluated
 8 for their impact on increased teacher effective-
 9 ness and improved student achievement, with
 10 the findings of the evaluations used to improve
 11 the quality of activities described in this para-
 12 graph;

13 “(G) include, to the extent practicable, the
 14 establishment of a partnership with an institu-
 15 tion of higher education, another local edu-
 16 cational agency, a teacher organization, or an-
 17 other organization, for the purpose of carrying
 18 out activities described in this paragraph; and

19 “(H) include ongoing and school-based
 20 support for activities described in this para-
 21 graph, such as support for peer review, coach-
 22 ing, or study groups, and the provision of re-
 23 lease time as needed for the activities;

24 “(2) are mentoring activities; and

1 “(3) include local activities carried out under
2 chapter 2.

3 “(b) RECRUITMENT ACTIVITIES.—Each recruitment
4 partnership receiving a grant under section 2015(b) shall
5 use the funds made available through the grant to carry
6 out recruitment activities (and only recruitment activities)
7 described in section 2018.

8 “(c) COVERED RECRUITMENT.—A local educational
9 agency receiving a grant under section 2015(a) for a fiscal
10 year may elect to use a portion of the funds made available
11 through the grant, but not more than the agency’s share
12 of 10 percent of the funds allotted to the State involved
13 under section 2011 for the fiscal year, to carry out recruit-
14 ment (including recruitment through the use of signing
15 bonuses and other financial incentives) and hiring of fully
16 qualified teachers.

17 **“SEC. 2018. RECRUITMENT ACTIVITIES THROUGH A TEACH-**
18 **ER CORPS PROGRAM.**

19 “(a) TEACHER CORPS PROGRAM REQUIREMENTS.—

20 “(1) RECRUITMENT.—A recruitment partner-
21 ship that receives a grant under section 2015(b)
22 shall broadly recruit and screen for a teacher corps
23 a highly qualified pool of candidates who dem-
24 onstrate the potential to become effective teachers.

25 Each candidate shall meet—

1 “(A) standards to ensure that—

2 “(i) each corps member possesses ap-
 3 propriate, high-level credentials and pre-
 4 sents the likelihood of becoming an effec-
 5 tive teacher; and

6 “(ii) each group of corps members in-
 7 cludes people who have expertise in aca-
 8 demic subjects and otherwise meet the spe-
 9 cific needs of the district to be served; and

10 “(B) any additional standard that the re-
 11 cruitment partnership establishes to enhance
 12 the quality and diversity of candidates and to
 13 meet the academic and grade level needs of the
 14 partnership.

15 “(2) REQUIRED CURRICULUM AND PLACE-
 16 MENT.—Members of the recruitment partnership
 17 shall work together to plan and develop a program
 18 that includes—

19 “(A) a rigorous curriculum that includes a
 20 preservice training program (incorporating in-
 21 novative approaches to preservice training, such
 22 as distance learning), for a period not to exceed
 23 1 year, that provides corps members with the
 24 skills and knowledge necessary to become effec-
 25 tive teachers, by—

1 “(i) requiring completed course work
2 in basic areas of teaching, such as prin-
3 ciples of learning and child development,
4 effective teaching strategies, assessments,
5 and classroom management, and in the
6 pedagogy related to the academic subjects
7 in which a corps member intends to teach;

8 “(ii) providing extensive preparation
9 in the pedagogy of reading to corps mem-
10 bers, including preparation components
11 that focus on—

12 “(I) understanding the psy-
13 chology of reading, and human growth
14 and development;

15 “(II) understanding the structure
16 of the English language; and

17 “(III) learning and applying the
18 best teaching methods to all aspects
19 of reading instruction;

20 “(iii) providing training in the use of
21 technology as a tool to enhance a corps
22 member’s effectiveness as a teacher and
23 improve the achievement of the corps mem-
24 ber’s students; and

1 “(iv) focusing on the teaching skills
 2 and knowledge that corps members need to
 3 enable all students to meet the State’s
 4 highest challenging content and student
 5 performance standards;

6 “(B) placement of a corps member with
 7 the local educational agency participating in the
 8 recruitment partnership, in a teaching intern-
 9 ship that—

10 “(i) includes intensive mentoring;

11 “(ii) provides a reduced teaching load;

12 and

13 “(iii) provides regular opportunities
 14 for the corps member to co-teach with a
 15 mentor teacher, observe other teachers,
 16 and be observed and coached by other
 17 teachers;

18 “(C) individualized inservice training over
 19 the course of the corps member’s first 2 years
 20 of full-time teaching that provides—

21 “(i) high-quality professional develop-
 22 ment, coordinated jointly by members of
 23 the recruitment partnership, and the
 24 course work necessary to provide additional

1 or supplementary knowledge to meet the
2 specific needs of the corps member; and

3 “(ii) ongoing mentoring by a teacher
4 who meets the criteria for a mentor teach-
5 er described in paragraph (4)(B), including
6 the requirements of section 2002(10); and

7 “(D) collaboration between the recruitment
8 partnership, and local community student and
9 parent groups, to assist corps members in en-
10 hancing their understanding of the community
11 in which the members are placed.

12 “(3) EVALUATION.—A recruitment partnership
13 shall evaluate a corps member’s progress in course
14 study and classroom practice at regular intervals.
15 Each recruitment partnership shall have a formal
16 process to identify corps members who seem unlikely
17 to become effective teachers and terminate their par-
18 ticipation in the program.

19 “(4) MENTOR TEACHERS.—

20 “(A) IN GENERAL.—A recruitment part-
21 nership shall develop a plan for the program,
22 which shall include strategies for identifying, re-
23 cruiting, training, and providing ongoing sup-
24 port to individuals who will serve as mentor
25 teachers to corps members.

1 “(B) MENTOR TEACHER REQUIRE-
2 MENTS.—The plan described in subparagraph
3 (A) shall specify the criteria that the recruit-
4 ment partnership will use to identify and select
5 mentor teachers and, at a minimum, shall—

6 “(i) require a mentor teacher to meet
7 the requirements of section 2002(10); and

8 “(ii) require that consideration be
9 given to teachers with national board cer-
10 tification.

11 “(C) COMPENSATION.—The plan shall
12 specify the compensation—

13 “(i) for mentor teachers, including
14 monetary compensation, release time, or a
15 reduced work load to ensure that mentor
16 teachers can provide ongoing support for
17 corps members; and

18 “(ii) for corps members, including sal-
19 ary levels and the stipends, if any, that will
20 be provided during a corps member’s
21 preservice training.

22 “(5) ASSURANCES.—The plan shall include as-
23 surances that—

1 “(A) a corps member will be assigned to
2 teach only academic subjects and grade levels
3 for which the member is fully qualified;

4 “(B) corps members, to the extent prac-
5 ticable, will be placed in schools with teams of
6 corps members; and

7 “(C) every mentor teacher will be provided
8 sufficient time to meet the needs of the corps
9 members assigned to the mentor teacher.

10 “(b) CORPS MEMBER QUALIFICATIONS.—

11 “(1) CANDIDATES INTENDING TO TEACH IN EL-
12 EMENTARY SCHOOLS.—At a minimum, to be accept-
13 ed by a teacher corps program, a candidate who in-
14 tends to teach at the elementary school level shall—

15 “(A) have a bachelor’s degree;

16 “(B) possess an outstanding commitment
17 to working with children and youth;

18 “(C) possess a strong professional or post-
19 secondary record of achievement; and

20 “(D) pass all basic skills and subject mat-
21 ter tests required by the State for teacher cer-
22 tification or licensure.

23 “(2) CANDIDATES INTENDING TO TEACH IN
24 SECONDARY SCHOOLS.—At a minimum, to be ac-

1 cepted by a teacher corps program, a candidate who
2 intends to teach at the secondary school level shall—

3 “(A) meet the requirements described in
4 paragraph (1); and

5 “(B)(i) possess at least an academic major
6 or postsecondary degree in each academic sub-
7 ject in which the candidate intends to teach; or

8 “(ii) if the candidate did not major or earn
9 a postsecondary degree in an academic subject
10 in which the candidate intends to teach, have
11 completed a rigorous course of instruction in
12 that subject that is equivalent to having ma-
13 jored in the subject.

14 “(3) SPECIAL RULE.—Notwithstanding para-
15 graph (2)(B), the recruitment partnership may con-
16 sider the candidate to be an eligible corps member
17 and accept the candidate for a teacher corps pro-
18 gram if the candidate has worked successfully and
19 directly in a field and in a position that provided the
20 candidate with direct and substantive knowledge in
21 the academic subject in which the candidate intends
22 to teach.

23 “(c) THREE-YEAR COMMITMENT TO TEACHING IN
24 ELIGIBLE DISTRICTS.—

1 “(1) IN GENERAL.—In return for acceptance to
2 a teacher corps program, a corps member shall com-
3 mit to 3 years of full-time teaching in a school or
4 district served by a local educational agency partici-
5 pating in a recruitment partnership receiving funds
6 under this subpart.

7 “(2) REIMBURSEMENT.—

8 “(A) IN GENERAL.—If a corps member
9 leaves the school district to which the corps
10 member has been assigned prior to the end of
11 the 3-year period described in paragraph (1),
12 the corps member shall be required to reim-
13 burse the Secretary for the amount of the Fed-
14 eral share of the cost of the corps member’s
15 participation in the teacher corps program.

16 “(B) PARTNERSHIP CLAIMS.—A recruit-
17 ment partnership that provides a teacher corps
18 program to a corps member who leaves the
19 school district, as discussed in subparagraph
20 (A), may submit a claim to the corps member
21 requiring the corps member to reimburse the
22 recruitment partnership for the amount of the
23 partnership’s share of the cost described in sub-
24 paragraph (A).

“(C) REDUCTION.—Reimbursements required under this paragraph may be reduced proportionally based on the amount of time a corps member remained in the teacher corps program beyond the corps member’s initial 2 years of service.

“(D) WAIVER.—The Secretary may waive reimbursements required under subparagraph (A) in the case of severe hardship to a corps member who leaves the school district, as described in subparagraph (A).

“(d) FEDERAL SHARE; NON-FEDERAL SHARE.—

“(1) PAYMENT OF FEDERAL SHARE.—The Secretary shall pay to each recruitment partnership carrying out a teacher corps program under this section the Federal share of the cost of the activities described in the partnership’s application under section 2016(c).

“(2) NON-FEDERAL SHARE.—A recruitment partnership’s share of the cost of the activities described in the partnership’s application under section 2016(c)—

“(A) may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services; and

1 “(B)(i) for the first year for which the
 2 partnership receives assistance under this sub-
 3 part, shall be not less than 10 percent;

4 “(ii) for the second such year, shall be not
 5 less than 20 percent;

6 “(iii) for the third year such year, shall be
 7 not less than 30 percent;

8 “(iv) for the fourth such year, shall be not
 9 less than 40 percent; and

10 “(v) for the fifth such year, shall be not
 11 less than 50 percent.

12 **“SEC. 2019. GRANTS TO PARTNERSHIPS OF INSTITUTIONS**
 13 **OF HIGHER EDUCATION AND LOCAL EDU-**
 14 **CATIONAL AGENCIES.**

15 “(a) ADMINISTRATION.—A State agency for higher
 16 education may use, from the funds made available to the
 17 agency under section 2013(a)(4) for any fiscal year, not
 18 more than $3\frac{1}{3}$ percent for the expenses of the agency in
 19 administering this section, including conducting evalua-
 20 tions of activities on the performance measures described
 21 in section 2014(a)(2).

22 “(b) GRANTS TO PARTNERSHIPS.—

23 “(1) IN GENERAL.—The State agency for high-
 24 er education shall use the remainder of the funds, in
 25 cooperation with the State educational agency, to

1 make grants to (including entering into contracts or
2 cooperative agreements with) partnerships of—

3 “(A) institutions of higher education that
4 are in full compliance with all reporting require-
5 ments of title II of the Higher Education Act
6 of 1965 or nonprofit organizations of dem-
7 onstrated effectiveness in providing professional
8 development and mentoring in the core aca-
9 demic subjects; and

10 “(B) eligible local educational agencies (as
11 defined in section 2015(b)(2)),
12 to carry out activities (and only activities) described
13 in subsection (e).

14 “(2) SIZE; DURATION.—Each grant made under
15 this section shall be—

16 “(A) in a sufficient amount to carry out
17 the objectives of this section effectively; and

18 “(B) for a period of 3 years, which the
19 State agency for higher education may extend
20 for an additional 2 years if the agency deter-
21 mines that the partnership is making substan-
22 tial progress toward meeting the specific goals
23 set out in the written agreement required in
24 subsection (c) and on the performance meas-
25 ures described in section 2014(a)(2).

1 “(3) APPLICATIONS.—To be eligible to receive a
2 grant under this section, a partnership shall submit
3 an application to the State agency for higher edu-
4 cation at such time, in such manner, and containing
5 such information as the agency may reasonably re-
6 quire.

7 “(4) AWARD PROCESS AND BASIS.—The State
8 agency for higher education shall make the grants
9 on a competitive basis, using a peer review process.

10 “(5) PRIORITY.—In making the grants, the
11 State agency for higher education shall give priority
12 to partnerships submitting applications for projects
13 that focus on mentoring programs for beginning
14 teachers.

15 “(6) CONSIDERATIONS.—In making such a
16 grant for a partnership, the State agency for higher
17 education shall consider—

18 “(A) the need of the local educational
19 agency involved for the professional develop-
20 ment and mentoring activities proposed in the
21 application;

22 “(B) the quality of the program proposed
23 in the application and the likelihood of success
24 of the program in improving classroom instruc-
25 tion and student academic achievement; and

1 “(C) such other criteria as the agency
2 finds to be appropriate.

3 “(c) AGREEMENTS.—

4 “(1) IN GENERAL.—No partnership may receive
5 a grant under this section unless the institution of
6 higher education or nonprofit organization involved
7 enters into a written agreement with at least 1 eligi-
8 ble local educational agency (as defined in section
9 2015(b)(2)) to provide professional development and
10 mentoring for elementary and secondary school
11 teachers in the schools served by that agency in the
12 core academic subjects.

13 “(2) GOALS.—Each such agreement shall iden-
14 tify specific measurable annual goals concerning how
15 the professional development and mentoring that the
16 partnership provides will enhance the ability of the
17 teachers to prepare all students to meet challenging
18 State and local content and student performance
19 standards.

20 “(d) JOINT EFFORTS WITHIN INSTITUTIONS OF
21 HIGHER EDUCATION.—Each professional development
22 and mentoring activity assisted under this section by a
23 partnership containing an institution of higher education
24 shall involve the joint effort of the institution of higher
25 education’s school or department of education and the

1 schools or departments of the institution in the specific
 2 disciplines in which the professional development and men-
 3 toring will be provided.

4 “(e) USES OF FUNDS.—A partnership that receives
 5 funds under this section shall use the funds for activities
 6 (and only for activities) that consist of—

7 “(1) professional development and mentoring in
 8 the core academic subjects, aligned with State or
 9 local content standards, for teams of teachers from
 10 a school or school district and, where appropriate,
 11 administrators and paraprofessionals;

12 “(2) research-based professional development
 13 and mentoring programs to assist beginning teach-
 14 ers, which may include—

15 “(A) mentoring and coaching by trained
 16 mentor teachers that lasts at least 2 years;

17 “(B) team teaching with veteran teachers
 18 who have a consistent record of helping their
 19 students make substantial academic gains;

20 “(C) provision of time for observation of,
 21 and consultation with, veteran teachers;

22 “(D) provision of reduced teaching loads;
 23 and

24 “(E) provision of additional time for prep-
 25 aration;

1 “(3) the provision of technical assistance to
2 school and agency staff for planning, implementing,
3 and evaluating professional development and men-
4 toring;

5 “(4) the provision of training for teachers to
6 help the teachers develop the skills necessary to
7 work most effectively with parents; and

8 “(5) in appropriate cases, the provision of
9 training to address areas of teacher and adminis-
10 trator shortages.

11 “(f) COORDINATION.—Any partnership that carries
12 out professional development and mentoring activities
13 under this section shall coordinate the activities with ac-
14 tivities carried out under title II of the Higher Education
15 Act of 1965, if a local educational agency or institution
16 of higher education in the partnership is participating in
17 programs funded under that title.

18 “(g) ANNUAL REPORTS.—

19 “(1) IN GENERAL.—Beginning with fiscal year
20 2002, each partnership that receives a grant under
21 this section shall prepare and submit to the appro-
22 priate State agency for higher education, by a date
23 set by that agency, an annual report on the progress
24 of the partnership on the performance measures de-
25 scribed in section 2014(a)(2).

1 “(2) CONTENTS.—Each such report shall—

2 “(A) include a copy of each written agree-
3 ment required by subsection (c) that is entered
4 into by the partnership; and

5 “(B) describe how the members of the
6 partnership have collaborated to achieve the
7 specific goals set out in the agreement, and the
8 results of that collaboration.

9 “(3) COPY.—The State agency for higher edu-
10 cation shall provide the State educational agency
11 with a copy of each such report.

12 **“Chapter 2—Accountability**

13 **“SEC. 2021. STATE APPLICATION ACCOUNTABILITY PROVI-**
14 **SIONS.**

15 “(a) ASSURANCES.—Each State application sub-
16 mitted under section 2012 shall contain assurances that—

17 “(1) beginning on the date of enactment of the
18 Educational Opportunities Act, no school in the
19 State that is served under this subpart will use
20 funds received under this subpart to hire a teacher
21 who is not a fully qualified teacher; and

22 “(2) not later than 4 years after the date of en-
23 actment of the Educational Opportunities Act, each
24 teacher in the State who provides services to stu-

1 dents served under this subpart shall be a fully
2 qualified teacher.

3 “(b) WITHHOLDING.—If a State fails to meet the re-
4 quirements described in subsection (a)(2) for a fiscal year
5 in which the requirements apply—

6 “(1) the Secretary shall withhold, for the fol-
7 lowing fiscal year, a portion of the funds that would
8 otherwise be available to the State under section
9 2013(a)(1) for the administration of this subpart;
10 and

11 “(2) the State shall be subject to such other
12 penalties as are provided by law for a violation of
13 this Act.

14 “(c) ASSISTANCE BY STATE EDUCATIONAL AGEN-
15 CY.—Each State application submitted under section
16 2012 shall describe how the State educational agency will
17 help each local educational agency and school in the State
18 develop the capacity to comply with the requirements of
19 this section.

20 **“SEC. 2022. STATE REPORTS.**

21 “(a) REPORT TO SECRETARY.—

22 “(1) IN GENERAL.—Each State that receives
23 funds under this subpart shall annually prepare and
24 submit to the Secretary a report containing—

1 “(A) information on the activities of the
 2 State under this subpart, including statewide
 3 information, and information on the activities of
 4 each grant recipient in the State;

5 “(B) information on the effectiveness of
 6 the activities, and the progress of recipients of
 7 grants under this subpart, on performance
 8 measures, including measures described in sec-
 9 tion 2014(a)(2) and goals described in para-
 10 graphs (3) and (4) of section 2012(b); and

11 “(C) such other information as the Sec-
 12 retary may reasonably require.

13 “(2) DEADLINES.—The State shall submit the
 14 reports described in paragraph (1) by such deadlines
 15 as the Secretary may establish.

16 “(b) PUBLIC ACCOUNTABILITY.—

17 “(1) IN GENERAL.—Each State that receives
 18 funds under this subpart—

19 “(A) in the event the State provides public
 20 State report cards on education, shall include in
 21 such report cards—

22 “(i) the percentage of middle school
 23 and other secondary school classes in core
 24 academic subjects that are taught by out-
 25 of-field teachers;

1 “(ii) the percentage of middle school,
 2 other elementary school, and other sec-
 3 ondary school classes taught by individuals
 4 holding only emergency credentials, or for
 5 whom any State certification or licensing
 6 standards for teachers have been waived;

7 “(iii) the average statewide class size;
 8 or

9 “(B) in the event the State provides no
 10 such report card, shall disseminate to the public
 11 the information described in clauses (i) through
 12 (iii) of subparagraph (A) through other means.

13 “(2) PUBLIC AVAILABILITY.—Such information
 14 shall be made widely available to the public, includ-
 15 ing parents and students, throughout the State.

16 “(c) GENERAL ACCOUNTING OFFICE.—Not later
 17 than September 30, 2004, the Comptroller General of the
 18 United States shall—

19 “(1) conduct a study of the progress of the
 20 States in increasing the percentage of teachers who
 21 are fully qualified teachers for fiscal years 2001
 22 through 2003; and

23 “(2) prepare and submit to the Committee on
 24 Education and Workforce of the House of Rep-
 25 resentatives and the Committee on Health, Edu-

1 cation, Labor, and Pensions of the Senate a report
2 containing the results of the study.

3 **“SEC. 2023. LOCAL APPLICATION ACCOUNTABILITY PROVI-**
4 **SIONS.**

5 “Each local application submitted under section 2016
6 shall contain assurances that—

7 “(1) the agency will not hire a teacher with
8 funds made available to the agency under this sub-
9 part, unless the teacher is a fully qualified teacher;

10 “(2) the local educational agency and schools
11 served by the agency will work to ensure, through
12 voluntary agreements and incentive programs, that
13 elementary school and secondary school teachers in
14 high-poverty schools served by the local educational
15 agency will be at least as well qualified, in terms of
16 experience and credentials, as the instructional staff
17 in schools served by the same local educational agen-
18 cy that are not high-poverty schools;

19 “(3) any teacher who receives certification from
20 the National Board for Professional Teaching
21 Standards will be considered fully qualified to teach,
22 in the academic subjects in which the teacher is cer-
23 tified, in high-poverty schools in any school district
24 or community served by the local educational agen-
25 cy; and

1 “(4) the agency will—

2 “(A) make available, on request and in an
3 understandable and uniform format, to any par-
4 ent of a student attending any school served by
5 the local educational agency, information re-
6 garding the professional qualifications of the
7 student’s classroom teachers with regard to—

8 “(i) whether the teacher has met
9 State certification or licensing criteria for
10 the academic subjects and grade level in
11 which the teacher teaches the student;

12 “(ii) whether the teacher is teaching
13 with emergency or whether any State cer-
14 tification or licensing standard has been
15 waived for the teacher; and

16 “(iii) the academic qualifications of
17 the teacher in the academic subjects and
18 grade levels in which the teacher teaches;
19 and

20 “(B) inform parents that the parents are
21 entitled to receive the information upon request.

22 **“SEC. 2024. LOCAL CONTINUATION OF FUNDING.**

23 “(a) AGENCIES.—If a local educational agency ap-
24 plies for funds under this subpart for a 4th or subsequent
25 fiscal year (including applying for funds as part of a part-

nership), the agency may receive the funds for that fiscal year only if the State determines that the agency has demonstrated that the agency, in carrying out activities under this subpart during the past fiscal year, has met annual numerical performance objectives for—

“(1) improved student performance for all groups described in section 1111(b)(2);

“(2) increased participation in sustained professional development and mentoring programs;

“(3) reduced the beginning teacher attrition rate for the agency; and

“(4) reduced the number of teachers who are not certified or licensed, and the number who are out-of-field teachers, for the agency.

“(b) SCHOOLS.—If a local educational agency applies for funds under this subpart on behalf of a school for a 4th or subsequent fiscal year (including applying for funds as part of a partnership), the agency may receive the funds for the school for that fiscal year only if the State determines that the school has demonstrated that the school, in carrying out activities under this subpart during the past fiscal year, has met the requirements of paragraphs (1) through (4) of subsection (a).

“(c) RECRUITMENT PARTNERSHIPS.—

1 “(1) IN GENERAL.—If not more than 90 per-
2 cent of the graduates of a teacher corps program as-
3 sisted under this subpart for a fiscal year pass appli-
4 cable State or local initial teacher licensing or cer-
5 tification examinations, the recruitment partnership
6 providing the teacher corps program shall be ineli-
7 gible to receive grant funds for the succeeding fiscal
8 year.

9 “(2) WAIVER.—The State in which the partner-
10 ship is located may waive the requirement described
11 in paragraph (1) for a recruitment partnership serv-
12 ing a school district that has special circumstances,
13 such as a district with a small number of corps
14 members.

15 **“SEC. 2025. LOCAL REPORTS.**

16 “(a) IN GENERAL.—Each local educational agency
17 that receives funds under this subpart (including funds re-
18 ceived through a partnership) shall prepare, make publicly
19 available, and submit to the State educational agency,
20 every year, beginning in fiscal year 2002, a report on the
21 activities of the agency under this subpart, in such form
22 and containing such information as the State educational
23 agency may reasonably require.

24 “(b) CONTENTS.—The report shall contain, at a
25 minimum—

1 “(1) information on progress throughout the
 2 schools served by the local educational agency on the
 3 performance measures described in section
 4 2014(a)(2) and goals described in paragraphs (3)
 5 and (4) of section 2012(b);

6 “(2) information on progress throughout the
 7 schools served by the local educational agency to-
 8 ward achieving the objectives of, and carrying out
 9 the activities described in, this subpart;

10 “(3) data on the progress described in para-
 11 graphs (1) and (2), disaggregated by school poverty
 12 level, as defined by the State; and

13 “(4) a description of the methodology used to
 14 gather the information and data described in para-
 15 graphs (1) through (3).

16 **“Subpart 2—National Activities for the Improvement**
 17 **of Teaching and School Leadership**

18 **“Chapter 1—National Activities and Clearinghouse**

19 **“SEC. 2031. PROGRAM AUTHORIZED.**

20 “(a) IN GENERAL.—The Secretary is authorized to
 21 make grants to, and to enter into contracts and coopera-
 22 tive agreements with, local educational agencies, edu-
 23 cational service agencies, State educational agencies, State
 24 agencies for higher education, institutions of higher edu-

1 cation, and other public and private nonprofit agencies,
 2 organizations, and institutions to carry out subsection (b).

3 “(b) ACTIVITIES.—In making the grants, and enter-
 4 ing into the contracts and cooperative agreements, the
 5 Secretary—

6 “(1) may support activities of national signifi-
 7 cance that are not supported through other sources
 8 and that the Secretary determines will contribute to
 9 the improvement of teaching and school leadership
 10 in the Nation’s schools, such as—

11 “(A) supporting collaborative efforts by
 12 States, or consortia of States, to review and
 13 measure the quality, rigor, and alignment of
 14 State standards and assessments;

15 “(B) supporting State and local efforts to
 16 develop curricula aligned with State standards
 17 and assessments;

18 “(C) supporting collaborative efforts by
 19 States, or consortia of States, to review and
 20 measure the quality and rigor of standards for
 21 entry into the field of teaching, including the
 22 alignment of such standards with State stand-
 23 ards for students in elementary school and sec-
 24 ondary school, and the alignment of initial
 25 teacher licensing and certification assessments

1 with State standards for entry into the field of
2 teaching;

3 “(D) supporting the development of mod-
4 els, at the State and local levels, of innovative
5 compensation systems that—

6 “(i) provide incentives for talented in-
7 dividuals who have a strong knowledge of
8 academic content to enter teaching; and

9 “(ii) reward veteran teachers who ac-
10 quire new knowledge and skills that are
11 needed in the schools and districts in
12 which the teachers teach; and

13 “(E) supporting collaborative efforts by
14 States, or consortia of States, to develop per-
15 formance-based systems for assessing content
16 knowledge and teaching skills of teachers prior
17 to initial certification or licensure of the teach-
18 ers;

19 “(2) may support activities of national signifi-
20 cance that the Secretary determines will contribute
21 to the recruitment and retention of highly qualified
22 teachers and principals in schools served by high-
23 poverty local educational agencies, such as—

24 “(A) the development and implementation
25 of a national teacher recruitment clearinghouse

1 and job bank, which shall be coordinated and,
2 to the extent feasible, integrated with the Amer-
3 ica’s Job Bank administered by the Secretary
4 of Labor, to—

5 “(i) disseminate information and re-
6 sources nationwide on entering the teach-
7 ing profession, to persons interested in be-
8 coming teachers;

9 “(ii) serve as a national resource cen-
10 ter regarding effective practices for teacher
11 professional development and mentoring,
12 recruitment, and retention;

13 “(iii) link prospective teachers to local
14 educational agencies and training re-
15 sources;

16 “(iv) provide information and tech-
17 nical assistance to prospective teachers
18 about certification and licensing and other
19 State and local requirements related to
20 teaching; and

21 “(v) provide data projections con-
22 cerning teacher and administrator supply
23 and demand and available teaching and
24 administrator opportunities;

1 “(B) the development and implementation,
2 or expansion, of programs that recruit talented
3 individuals to become principals, including such
4 programs that employ alternative routes to
5 State certification or licensing that are at least
6 as rigorous as the State’s standards for initial
7 certification or licensing of teachers, and that
8 prepare both new and experienced principals to
9 serve as instructional leaders, which may in-
10 clude the creation and operation of a national
11 center or regional centers for the preparation
12 and support of principals as leaders of school
13 reform;

14 “(C) efforts to increase the portability of
15 teacher pensions and reciprocity of teaching
16 credentials across State lines;

17 “(D) research, evaluation, and dissemina-
18 tion activities related to effective strategies for
19 increasing the portability of teachers’ credited
20 years of experience across State and school dis-
21 trict lines;

22 “(E) the development and implementation
23 of national or regional programs to—

24 “(i) recruit highly talented individuals
25 to become teachers, through alternative

1 routes to certification or licensing that are
 2 at least as rigorous as the State's stand-
 3 ards for initial certification or licensing of
 4 teachers, in schools served by high-poverty
 5 local educational agencies; and

6 “(ii) help retain the individuals for
 7 more than 3 years as classroom teachers in
 8 schools served by the local educational
 9 agencies; and

10 “(F) the establishment of partnerships of
 11 high-poverty local educational agencies, teacher
 12 organizations, and local businesses, in order to
 13 help the agencies attract and retain high-quality
 14 teachers and principals through provision of in-
 15 creased pay, combined with reforms to raise
 16 teacher performance including use of regular,
 17 rigorous peer evaluations and (where appro-
 18 priate) student evaluations of every teacher;

19 “(3) may support the National Board for Pro-
 20 fessional Teaching Standards;

21 “(4)(A) shall carry out a national evaluation,
 22 not sooner than 3 years and not later than 4 years
 23 after the date of enactment of the Educational Op-
 24 portunities Act, of the effect of activities carried out
 25 under this title, including an assessment of changes

1 in instructional practice and objective measures of
2 student achievement; and

3 “(B) shall submit a report containing the re-
4 sults of the evaluation to Congress; and

5 “(5) shall annually submit to Congress a report
6 on the information contained in the State reports
7 described in section 2022.

8 **“SEC. 2032. EISENHOWER NATIONAL CLEARINGHOUSE FOR**
9 **MATHEMATICS AND SCIENCE EDUCATION.**

10 “(a) ESTABLISHMENT OF CLEARINGHOUSE.—The
11 Secretary shall award a grant or contract, on a competi-
12 tive basis, to an entity to establish and operate an Eisen-
13 hower National Clearinghouse for Mathematics and
14 Science Education (referred to in this section as ‘the
15 Clearinghouse’).

16 “(b) AUTHORIZED ACTIVITIES.—

17 “(1) APPLICATION AND AWARD BASIS.—

18 “(A) IN GENERAL.—An entity desiring to
19 establish and operate the Clearinghouse shall
20 submit an application to the Secretary at such
21 time, in such manner, and containing such in-
22 formation as the Secretary may reasonably re-
23 quire.

24 “(B) PEER REVIEW.—The Secretary shall
25 establish a peer review panel to make rec-

1 commendations on the recipient of the award for
2 the Clearinghouse.

3 “(C) BASIS.—The Secretary shall make
4 the award for the Clearinghouse on the basis of
5 merit.

6 “(2) DURATION.—The Secretary shall award
7 the grant or contract for the Clearinghouse for a pe-
8 riod of 5 years.

9 “(3) ACTIVITIES.—The award recipient shall
10 use the award funds to—

11 “(A) maintain a permanent collection of
12 such mathematics and science education in-
13 structional materials and programs for elemen-
14 tary schools and secondary schools as the Sec-
15 retary finds appropriate, and give priority to
16 maintaining such materials and programs that
17 have been identified as promising or exemplary,
18 through a systematic approach such as the use
19 of expert panels required under the Educational
20 Research, Development, Dissemination, and Im-
21 provement Act of 1994;

22 “(B) disseminate the materials and pro-
23 grams described in subparagraph (A) to the
24 public, State educational agencies, local edu-
25 cational agencies, and schools (particularly

high-poverty, low-performing schools), including dissemination through the maintenance of an interactive national electronic information management and retrieval system accessible through the World Wide Web and other advanced communications technologies;

“(C) coordinate activities with entities operating other databases containing mathematics and science curriculum and instructional materials, including Federal, non-Federal, and, where feasible, international databases;

“(D) using not more than 10 percent of the amount awarded under this section for any fiscal year, participate in collaborative meetings of representatives of the Clearinghouse and regional mathematics and science education consortia to—

“(i) discuss issues of common interest and concern;

“(ii) foster effective collaboration and cooperation in acquiring and distributing instructional materials and programs; and

“(iii) coordinate and enhance computer network access to the Clearinghouse and the resources of the regional consortia;

1 “(E) support the development and dissemi-
 2 nation of model professional development and
 3 mentoring materials for mathematics and
 4 science education;

5 “(F) contribute materials or information,
 6 as appropriate, to other national repositories or
 7 networks; and

8 “(G) gather qualitative and evaluative data
 9 on submissions to the Clearinghouse, and dis-
 10 seminate that data widely, including through
 11 the use of electronic dissemination networks.

12 “(4) SUBMISSION TO CLEARINGHOUSE.—Each
 13 Federal agency or department that develops mathe-
 14 matics or science education instructional materials
 15 or programs, including the National Science Foun-
 16 dation and the Department, shall submit copies of
 17 that materials or those programs to the Clearing-
 18 house.

19 “(5) STEERING COMMITTEE.—The Secretary
 20 may appoint a steering committee to recommend
 21 policies and activities for the Clearinghouse.

22 “(6) APPLICATION OF COPYRIGHT LAWS.—

23 “(A) CONSTRUCTION.—Nothing in this
 24 section shall be construed to allow the use or
 25 copying, in any medium, of any material col-

1 lected by the Clearinghouse that is protected
 2 under the copyright laws of the United States
 3 unless the Clearinghouse obtains the permission
 4 of the owner of the copyright.

5 “(B) COMPLIANCE.—In carrying out this
 6 section, the Clearinghouse shall ensure compli-
 7 ance with title 17, United States Code.

8 **“Chapter 2—Transition to Teaching**

9 **“SEC. 2041. PURPOSE.**

10 “The purpose of this chapter is to address the need
 11 of high-poverty local educational agencies for highly quali-
 12 fied teachers in particular academic subjects, such as
 13 mathematics, science, foreign languages, bilingual edu-
 14 cation, and special education needed by the agencies, by—

15 “(1) continuing and enhancing the Troops to
 16 Teachers model for recruiting and supporting the
 17 placement of such teachers; and

18 “(2) recruiting, preparing, placing, and sup-
 19 porting career-changing professionals who have
 20 knowledge and experience that will help the profes-
 21 sionals become such teachers.

22 **“SEC. 2042. DEFINITIONS.**

23 “In this chapter:

1 “(1) PROGRAM PARTICIPANT.—The term ‘pro-
2 gram participant’ means a career-changing profes-
3 sional who—

4 “(A) demonstrates interest in, and commit-
5 ment to, becoming a teacher; and

6 “(B) has knowledge and experience that is
7 relevant to teaching a high-need academic sub-
8 ject for a high-poverty local educational agency.

9 “(2) SECRETARY.—The term ‘Secretary’ means
10 the Secretary of Education, except as otherwise de-
11 termined in accordance with the agreements de-
12 scribed in section 2043(b).

13 **“SEC. 2043. PROGRAM AUTHORIZED.**

14 “(a) AUTHORITY.—Subject to subsection (b), using
15 funds made available to carry out this chapter under sec-
16 tion 2003(2)(A) for each fiscal year, the Secretary may
17 award grants, contracts, or cooperative agreements to in-
18 stitutions of higher education and public and private non-
19 profit agencies or organizations to carry out programs au-
20 thorized under this chapter.

21 “(b) IMPLEMENTATION.—

22 “(1) CONSULTATION.—Before making awards
23 under subsection (a) for any fiscal year, the Sec-
24 retary of Education shall—

1 “(A) consult with the Secretary of Defense
 2 and the Secretary of Transportation regarding
 3 the appropriate amount of funding needed to
 4 carry out this chapter; and

5 “(B) upon agreement, transfer that
 6 amount to the Department of Defense to carry
 7 out this chapter.

8 “(2) AGREEMENT.—The Secretary of Edu-
 9 cation may enter into a written agreement with the
 10 Secretary of Defense and the Secretary of Transpor-
 11 tation, or take such other steps as the Secretary of
 12 Education determines are appropriate, to ensure ef-
 13 fective implementation of this chapter.

14 **“SEC. 2044. APPLICATION.**

15 “Each entity that desires an award under section
 16 2043(a) shall submit an application to the Secretary at
 17 such time, in such manner, and containing such informa-
 18 tion as the Secretary may require, including—

19 “(1) a description of the target group of career-
 20 changing professionals on which the entity will focus
 21 in carrying out a program under this chapter, in-
 22 cluding a description of the characteristics of that
 23 target group that shows how the knowledge and ex-
 24 perience of the members of the group are relevant
 25 to meeting the purpose of this chapter;

1 “(2) a description of how the entity will identify
2 and recruit program participants;

3 “(3) a description of the training that program
4 participants will receive and how that training will
5 relate to their certification or licensing as teachers;

6 “(4) a description of how the entity will ensure
7 that program participants are placed with, and teach
8 for, high-poverty local educational agencies;

9 “(5) a description of the teacher induction serv-
10 ices (which may be provided through induction pro-
11 grams in existence on the date of submission of the
12 application) the program participants will receive
13 throughout at least their first year of teaching;

14 “(6) a description of how the entity will collabo-
15 rate, as needed, with other institutions, agencies, or
16 organizations to recruit, train, place, and support
17 program participants under this chapter, including
18 evidence of the commitment of the institutions,
19 agencies, or organizations to the entity’s program;

20 “(7) a description of how the entity will evalu-
21 ate the progress and effectiveness of the entity’s pro-
22 gram, including a description of—

23 “(A) the program’s goals and objectives;

24 “(B) the performance indicators the entity
25 will use to measure the program’s progress; and

1 “(C) the outcome measures that the entity
2 will use to determine the program’s effective-
3 ness; and

4 “(8) an assurance that the entity will provide to
5 the Secretary such information as the Secretary de-
6 termines to be necessary to determine the overall ef-
7 fectiveness of programs carried out under this chap-
8 ter.

9 **“SEC. 2045. USES OF FUNDS AND PERIOD OF SERVICE.**

10 “(a) AUTHORIZED ACTIVITIES.—Funds made avail-
11 able under this chapter may be used for—

12 “(1) recruiting program participants, including
13 informing individuals who are potential participants
14 of opportunities available under the program and
15 putting the individuals in contact with other institu-
16 tions, agencies, or organizations that would train,
17 place, and support the individuals;

18 “(2) providing training stipends and other fi-
19 nancial incentives for program participants, such as
20 paying for moving expenses, not to exceed \$5,000, in
21 the aggregate, per participant;

22 “(3) assisting institutions of higher education
23 or other providers of teacher training to tailor their
24 training to meet the particular needs of professionals
25 who are changing their careers to teaching;

1 “(4) providing placement activities, including
 2 identifying high-poverty local educational agencies
 3 with needs for the particular skills and characteris-
 4 tics of the newly trained program participants and
 5 assisting the participants to obtain employment with
 6 the local educational agencies; and

7 “(5) providing post-placement induction or sup-
 8 port activities for program participants.

9 “(b) PERIOD OF SERVICE.—A program participant in
 10 a program under carried out under this chapter who com-
 11 pletes the participant’s training shall serve in a high-pov-
 12 erty local educational agency for at least 3 years.

13 “(c) REPAYMENT.—The Secretary shall establish
 14 such requirements as the Secretary determines to be ap-
 15 propriate to ensure that program participants who receive
 16 a training stipend or other financial incentive under sub-
 17 section (a)(2), but fail to complete their service obligation
 18 under subsection (b), repay all or a portion of such stipend
 19 or other incentive.

20 **“SEC. 2046. EQUITABLE DISTRIBUTION.**

21 “To the extent practicable, the Secretary shall make
 22 awards under this chapter that support programs in dif-
 23 ferent geographic regions of the Nation.

“Chapter 3—Hometown Teachers**“SEC. 2051. PURPOSE.**

“The purpose of this chapter is to support the efforts of high-need local educational agencies to develop and implement comprehensive approaches to recruiting and retaining highly qualified teachers, including recruiting such teachers through Hometown Teacher programs that carry out long-term strategies to expand the capacity of the communities served by the agencies to produce local teachers.

“SEC. 2052. DEFINITION.

“The term ‘high-need local educational agency’ means a local educational agency that serves an elementary school or secondary school located in an area in which there is—

“(1) a high percentage (as determined by the State in which the agency is located) of individuals from families with incomes below the poverty line;

“(2) a high percentage (as determined by the State in which the agency is located) of secondary school teachers not teaching in the core academic subjects in which the teachers were trained to teach; or

“(3) a high percentage (as determined by the State in which the agency is located) of elementary

1 school and secondary school teachers who are not
2 fully qualified teachers.

3 **“SEC. 2053. PROGRAM AUTHORIZED.**

4 “From funds made available to carry out this chapter
5 under section 2003(2)(B) for each fiscal year, the Sec-
6 retary may award grants to high-need local educational
7 agencies to carry out Hometown Teacher programs and
8 other activities described in this chapter.

9 **“SEC. 2054. APPLICATIONS.**

10 “Each high-need local educational agency that desires
11 to receive a grant under section 2053 shall submit an ap-
12 plication to the Secretary at such time, in such manner,
13 and containing such information as the Secretary may re-
14 quire, including—

15 “(1) a description of the local educational agen-
16 cy’s assessment of the agency’s needs for teachers,
17 such as the agency’s projected shortage of qualified
18 teachers and the percentage of teachers serving the
19 agency who lack certification or licensure or who are
20 teaching out of field;

21 “(2) a description of a Hometown Teacher pro-
22 gram that the local educational agency plans to de-
23 velop and implement with the funds made available
24 through the grant, including a description of—

25 “(A) strategies the agency will use to—

1 “(i) encourage secondary school and
 2 middle school students in schools served by
 3 the local educational agency to consider
 4 pursuing careers in the teaching profes-
 5 sion; and

6 “(ii) provide support at the under-
 7 graduate level to those students who intend
 8 to become teachers; and

9 “(B) the agency’s plans to streamline the
 10 hiring timelines in the hiring policies and prac-
 11 tices of the agency for participants in the
 12 Hometown Teacher program;

13 “(3) a description of the long-term strategies
 14 that the agency will use, if any, to reduce the agen-
 15 cy’s teacher attrition rate, including providing men-
 16 toring programs and making efforts to raise teacher
 17 salaries and create more desirable working condi-
 18 tions for teachers;

19 “(4) a description of the agency’s strategy for
 20 ensuring that all secondary school teachers and mid-
 21 dle school teachers in the school district are fully
 22 certified or licensed in an academic subject and are
 23 teaching the majority of their classes in the subject
 24 in which the teachers are certified or licensed;

1 “(5) a description of the short-term strategies
2 the agency will use, if any, to address the agency’s
3 teacher shortage problem, including the strategies
4 the agency will use to ensure that the teachers that
5 the local educational agency is targeting for employ-
6 ment are fully certified or licensed;

7 “(6) a description of the agency’s long-term
8 plan for ensuring that the agency’s teachers have
9 opportunities for sustained, high-quality professional
10 development;

11 “(7) a description of the ways in which the ac-
12 tivities proposed to be carried out through the grant
13 are part of the agency’s overall plan for improving
14 the quality of teaching and student achievement;

15 “(8) a description of how the agency will col-
16 laborate, as needed, with other institutions, agencies,
17 or organizations to develop and implement the strat-
18 egies the agency proposes in the application, includ-
19 ing evidence of the commitment of the institutions,
20 agencies, or organizations to the agency’s activities;

21 “(9) a description of the strategies the agency
22 will use to coordinate activities funded under the
23 program carried out under this chapter with activi-
24 ties funded through other Federal programs that ad-
25 dress teacher shortages, including programs carried

1 out through grants to local educational agencies
2 under title I or this title, including chapter 2, if the
3 applicant receives funds from the programs;

4 “(10) a description of how the agency will
5 evaluate the progress and effectiveness of the Home-
6 town Teacher program, including a description of—

7 “(A) the agency’s goals and objectives for
8 the program;

9 “(B) the performance indicators that the
10 agency will use to measure the program’s effec-
11 tiveness; and

12 “(C) the measurable outcome measures,
13 such as increased percentages of fully certified
14 or licensed teachers, that the agency will use to
15 determine the program’s effectiveness; and

16 “(11) an assurance that the agency will provide
17 to the Secretary such information as the Secretary
18 determines to be necessary to determine the overall
19 effectiveness of programs carried out under this
20 chapter.

21 **“SEC. 2055. PRIORITY.**

22 “In awarding grants under this chapter, the Sec-
23 retary may give priority to agencies submitting applica-
24 tions that—

1 “(1) focus on increasing the percentage of
2 qualified teachers in particular teaching fields, such
3 as mathematics, science, and bilingual education;
4 and

5 “(2) focus on recruiting qualified teachers for
6 certain types of communities, such as urban and
7 rural communities.

8 **“SEC. 2056. USE OF FUNDS.**

9 “(a) MANDATORY USE OF FUNDS.—A local edu-
10 cational agency that receives a grant under this chapter
11 shall use the funds made available through the grant to
12 develop and implement long-term strategies to address the
13 agency’s teacher shortage, including carrying out Home-
14 town Teacher programs such as the programs described
15 in section 2051.

16 “(b) PERMISSIBLE USE OF FUNDS.—A local edu-
17 cational agency that receives a grant under this chapter
18 may use the funds made available through the grant to—

19 “(1) develop and implement strategies to reduce
20 the local educational agency’s teacher attrition rate,
21 including providing mentoring programs, increasing
22 teacher salaries, and creating more desirable work-
23 ing conditions for teachers; and

24 “(2) develop and implement short-term strate-
25 gies to address the agency’s teacher shortage, in-

1 including providing scholarships to undergraduates
2 who agree to teach in the school district served by
3 the agency for a certain number of years, providing
4 signing bonuses for teachers, and implementing
5 streamlined hiring practices.

6 “(c) SUPPLEMENT, NOT SUPPLANT.—Funds made
7 available under this chapter shall be used to supplement,
8 and shall not supplant, State and local funds expended
9 to carry out programs and activities authorized under this
10 chapter.

11 **“SEC. 2057. SERVICE REQUIREMENTS.**

12 “(a) IN GENERAL.—The Secretary shall establish
13 such requirements as the Secretary finds to be necessary
14 to ensure that a recipient of a scholarship under this chap-
15 ter who completes a teacher education program
16 subsequently—

17 “(1) teaches in a school district served by a
18 high-need local educational agency, for a period of
19 time equivalent to the period for which the recipient
20 received the scholarship; or

21 “(2) repays the amount of the funds provided
22 through the scholarship.

23 “(b) USE OF REPAID FUNDS.—The Secretary shall
24 deposit any such repaid funds in an account, and use the
25 funds to carry out additional activities under this chapter.

1 **“Chapter 4—Early Childhood Educator Professional**
2 **Development**

3 **“SEC. 2061. PURPOSE.**

4 “In support of the national effort to attain the first
5 of America’s Education Goals, the purpose of this chapter
6 is to enhance the school readiness of young children, par-
7 ticularly disadvantaged young children, and to prevent
8 them from encountering reading difficulties once they
9 enter school, by improving the knowledge and skills of
10 early childhood educators who work in communities that
11 have high concentrations of children living in poverty.

12 **“SEC. 2062. PROGRAM AUTHORIZED.**

13 “(a) GRANTS TO PARTNERSHIPS.—The Secretary
14 shall carry out the purpose of this chapter by awarding
15 grants, on a competitive basis, to partnerships consisting
16 of—

17 “(1)(A) one or more institutions of higher edu-
18 cation that provide professional development for
19 early childhood educators who work with children
20 from low-income families in high-need communities;
21 or

22 “(B) another public or private, nonprofit entity
23 that provides such professional development;

24 “(2) one or more public agencies (including
25 local educational agencies, State educational agen-
26 cies, State human services agencies, and State and

1 local agencies administering programs under the
2 Child Care and Development Block Grant Act of
3 1990), Head Start agencies, or private, nonprofit or-
4 ganizations; and

5 “(3) to the extent feasible, an entity with dem-
6 onstrated experience in providing violence prevention
7 education training to educators in early childhood
8 education programs.

9 “(b) PRIORITY.—In awarding grants under this
10 chapter, the Secretary shall give priority to partnerships
11 that include 1 or more local educational agencies which
12 operate early childhood education programs for children
13 from low-income families in high-need communities.

14 “(c) DURATION AND NUMBER OF GRANTS.—

15 “(1) DURATION.—Each grant under this chap-
16 ter shall be awarded for not more than 4 years.

17 “(2) NUMBER.—No partnership may receive
18 more than 1 grant under this chapter.

19 **“SEC. 2063. APPLICATIONS.**

20 “(a) APPLICATIONS REQUIRED.—Any partnership
21 that desires to receive a grant under this chapter shall
22 submit an application to the Secretary at such time, in
23 such manner, and containing such information as the Sec-
24 retary may require.

1 “(b) CONTENTS.—Each such application shall
2 include—

3 “(1) a description of the high-need community
4 to be served by the project, including such demo-
5 graphic and socioeconomic information as the Sec-
6 retary may request;

7 “(2) information on the quality of the early
8 childhood educator professional development pro-
9 gram currently conducted by the institution of high-
10 er education or other provider in the partnership;

11 “(3) the results of the assessment that the enti-
12 ties in the partnership have undertaken to determine
13 the most critical professional development needs of
14 the early childhood educators to be served by the
15 partnership and in the broader community, and a
16 description of how the proposed project will address
17 those needs;

18 “(4) a description of how the proposed project
19 will be carried out, including—

20 “(A) how individuals will be selected to
21 participate;

22 “(B) the types of research-based profes-
23 sional development activities that will be carried
24 out;

1 “(C) how research on effective professional
2 development and on adult learning will be used
3 to design and deliver project activities;

4 “(D) how the project will coordinate with
5 and build on, and will not supplant or dupli-
6 cate, early childhood education professional de-
7 velopment activities that exist in the commu-
8 nity;

9 “(E) how the project will train early child-
10 hood educators to provide services that are
11 based on developmentally appropriate practices
12 and the best available research on child, lan-
13 guage, and literacy development and on early
14 childhood pedagogy;

15 “(F) how the program will train early
16 childhood educators to meet the diverse edu-
17 cational needs of children in the community, in-
18 cluding children who have limited English pro-
19 ficiency, disabilities, or other special needs; and

20 “(G) how the project will train early child-
21 hood educators in identifying and preventing
22 behavioral problems or violent behavior in chil-
23 dren;

24 “(5) a description of—

1 “(A) the specific objectives that the part-
2 nership will seek to attain through the project,
3 and how the partnership will measure progress
4 toward attainment of those objectives; and

5 “(B) how the objectives and the measure-
6 ment activities align with the performance indi-
7 cators established by the Secretary under sec-
8 tion 2066(a);

9 “(6) a description of the partnership’s plan for
10 institutionalizing the activities carried out under the
11 project, so that the activities continue once Federal
12 funding ceases;

13 “(7) an assurance that, where applicable, the
14 project will provide appropriate professional develop-
15 ment to volunteer staff, as well as to paid staff; and

16 “(8) an assurance that, in developing its appli-
17 cation and in carrying out its project, the partner-
18 ship has consulted with, and will consult with, rel-
19 evant agencies and early childhood educator organi-
20 zations described in section 2062(a)(2) that are not
21 members of the partnership.

22 **“SEC. 2064. SELECTION OF GRANTEES.**

23 “(a) CRITERIA.—The Secretary shall select partner-
24 ships to receive funding on the basis of the community’s
25 need for assistance and the quality of the applications.

1 “(b) GEOGRAPHIC DISTRIBUTION.—In selecting
2 partnerships, the Secretary shall seek to ensure that com-
3 munities in different regions of the Nation, as well as both
4 urban and rural communities, are served.

5 **“SEC. 2065. USES OF FUNDS.**

6 “(a) IN GENERAL.—Each partnership receiving a
7 grant under this chapter shall use the grant funds to carry
8 out activities that will improve the knowledge and skills
9 of early childhood educators who are working in early
10 childhood programs that are located in high-need commu-
11 nities and serve concentrations of children from low-in-
12 come families.

13 “(b) ALLOWABLE ACTIVITIES.—Such activities may
14 include—

15 “(1) professional development for individuals
16 working as early childhood educators, particularly to
17 familiarize those individuals with the application of
18 recent research on child, language, and literacy de-
19 velopment and on early childhood pedagogy;

20 “(2) professional development for early child-
21 hood educators in working with parents, based on
22 the best current research on child, language, and lit-
23 eracy development and parent involvement, so that
24 the educators can prepare their children to succeed
25 in school;

1 “(3) professional development for early child-
2 hood educators to work with children who have lim-
3 ited English proficiency, disabilities, and other spe-
4 cial needs;

5 “(4) professional development to train early
6 childhood educators in identifying and preventing
7 behavioral problems or violent behavior in children;

8 “(5) activities that assist and support early
9 childhood educators during their first three years in
10 the field;

11 “(6) development and implementation of early
12 childhood educator professional development pro-
13 grams that make use of distance learning and other
14 technologies;

15 “(7) professional development activities related
16 to the selection and use of research-based diagnostic
17 assessments to improve teaching and learning; and

18 “(8) data collection, evaluation, and reporting
19 needed to meet the requirements of this chapter re-
20 lating to accountability.

21 **“SEC. 2066. ACCOUNTABILITY.**

22 “(a) PERFORMANCE INDICATORS.—Simultaneously
23 with the publication of any application notice for grants
24 under this chapter, the Secretary shall announce perform-

1 ance indicators for this chapter, which shall be designed
2 to measure—

3 “(1) the quality and assessability of the profes-
4 sional development provided;

5 “(2) the impact of that professional develop-
6 ment on the early childhood education provided by
7 the individuals who are trained; and

8 “(3) such other measures of program impact as
9 the Secretary determines appropriate.

10 “(b) ANNUAL REPORTS; TERMINATION.—

11 “(1) ANNUAL REPORTS.—Each partnership re-
12 ceiving a grant under this chapter shall report annu-
13 ally to the Secretary on the partnership’s progress
14 against the performance indicators.

15 “(2) TERMINATION.—The Secretary may termi-
16 nate a grant under this chapter at any time if the
17 Secretary determines that the partnership is not
18 making satisfactory progress against the indicators.

19 **“SEC. 2067. COST-SHARING.**

20 “(a) IN GENERAL.—Each partnership shall provide,
21 from other sources, which may include other Federal
22 sources—

23 “(1) at least 50 percent of the total cost of its
24 project for the grant period; and

1 “(2) at least 20 percent of the project cost in
2 each year.

3 “(b) ACCEPTABLE CONTRIBUTIONS.—A partnership
4 may meet the requirement of subsection (a) through cash
5 or in-kind contributions, fairly valued.

6 “(c) WAIVERS.—The Secretary may waive or modify
7 the requirements of subsection (a) in cases of dem-
8 onstrated financial hardship.

9 **“SEC. 2068. FEDERAL COORDINATION.**

10 “The Secretary and the Secretary of Health and
11 Human Services shall coordinate activities under this
12 chapter and other early childhood programs administered
13 by the two Secretaries.

14 **“SEC. 2069. DEFINITIONS.**

15 “In this chapter:

16 “(1) HIGH-NEED COMMUNITY.—

17 “(A) IN GENERAL.—The term ‘high-need
18 community’ means—

19 “(i) a municipality, or a portion of a
20 municipality, in which at least 50 percent
21 of the children are from low-income fami-
22 lies; or

23 “(ii) a municipality that is one of the
24 10 percent of municipalities within the

1 State having the greatest numbers of such
2 children.

3 “(B) DETERMINATION.—In determining
4 which communities are described in subpara-
5 graph (A), the Secretary shall use such data as
6 the Secretary determines are most accurate and
7 appropriate.

8 “(2) LOW-INCOME FAMILY.—The term ‘low-in-
9 come family’ means a family with an income below
10 the poverty line (as defined by the Office of Manage-
11 ment and Budget and revised annually in accordance
12 with section 673(2) of the Community Services
13 Block Grant Act) applicable to a family of the size
14 involved for the most recent fiscal year for which
15 satisfactory data are available.

16 “(3) EARLY CHILDHOOD EDUCATOR.—The
17 term ‘early childhood educator’ means a person who
18 provides care and education to children at any age
19 from birth through kindergarten.”.

20 (b) CONFORMING AMENDMENT.—The Troops-to-
21 Teachers Program Act of 1999 (20 U.S.C. 9301 et seq.)
22 is repealed.

1 **Subtitle B—Safe, Healthy Schools**
 2 **and Communities**

3 **CHAPTER 1—GRANTS FOR SCHOOL RENOVATION**

4 **SEC. 311. GRANTS FOR SCHOOL RENOVATION.**

5 Title X (20 U.S.C. 8001 et seq.) is amended by add-
 6 ing at the end the following:

7 **“PART L—SCHOOL RENOVATION**

8 **“SEC. 10995. GRANTS FOR SCHOOL RENOVATION.**

9 “(a) IN GENERAL.—

10 “(1) ALLOCATION OF FUNDS.—Of the amount
 11 appropriated for each fiscal year under subsection
 12 (k), the Secretary of Education shall allocate—

13 “(A) 6.0 percent of such amount for
 14 grants to impacted local educational agencies
 15 (as defined in paragraph (3)) for school repair,
 16 renovation, and construction;

17 “(B) 0.25 percent of such amount for
 18 grants to outlying areas for school repair and
 19 renovation in high-need schools and commu-
 20 nities, allocated on such basis, and subject to
 21 such terms and conditions, as the Secretary de-
 22 termines appropriate;

23 “(C) 2 percent of such amount for grants
 24 to public entities, private nonprofit entities, and

consortia of such entities, for use in accordance with subpart 2 of part C of this title X; and

“(D) the remainder to State educational agencies in proportion to the amount each State received under part A of title I for fiscal year 2001, except that no State shall receive less than 0.5 percent of the amount allocated under this subparagraph.

“(2) DETERMINATION OF GRANT AMOUNT.—

“(A) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the grant amounts under paragraph (1)(A) for fiscal year 2001, the Secretary shall determine the results obtained by the computation made under section 8003 with respect to children described in subsection (a)(1)(C) of such section and computed under subsection (a)(2)(B) of such section for such year—

“(i) for each impacted local educational agency that receives funds under this section; and

“(ii) for all such agencies together.

“(B) COMPUTATION OF PAYMENT.—For fiscal year 2002, the Secretary shall calculate

1 the amount of a grant to an impacted local edu-
2 cational agency by—

3 “(i) dividing the amount described in
4 paragraph (1)(A) by the results of the
5 computation described in subparagraph
6 (A)(ii); and

7 “(ii) multiplying the number derived
8 under clause (i) by the results of the com-
9 putation described in subparagraph (A)(i)
10 for such agency.

11 “(3) DEFINITION.—For purposes of this sec-
12 tion, the term ‘impacted local educational agency’
13 means, for fiscal year 2001—

14 “(A) a local educational agency that re-
15 ceives a basic support payment under section
16 8003(b) for such fiscal year; and

17 “(B) with respect to which the number of
18 children determined under section
19 8003(a)(1)(C) for the preceding school year
20 constitutes at least 50 percent of the total stu-
21 dent enrollment in the schools of the agency
22 during such school year.

23 “(b) WITHIN-STATE ALLOCATIONS.—

24 “(1) ADMINISTRATIVE COSTS.—

1 “(A) STATE EDUCATIONAL AGENCY AD-
2 MINISTRATION.—Except as provided in sub-
3 paragraph (B), each State educational agency
4 may reserve not more than 1 percent of its allo-
5 cation under subsection (a)(1)(D) for the pur-
6 pose of administering the distribution of grants
7 under this subsection.

8 “(B) STATE ENTITY ADMINISTRATION.—If
9 the State educational agency transfers funds to
10 a State entity described in paragraph (2)(A),
11 the agency shall transfer to such entity 0.75 of
12 the amount reserved under this paragraph for
13 the purpose of administering the distribution of
14 grants under this subsection.

15 “(2) RESERVATION FOR COMPETITIVE SCHOOL
16 REPAIR AND RENOVATION GRANTS TO LOCAL EDU-
17 CATIONAL AGENCIES.—

18 “(A) IN GENERAL.—Subject to the res-
19 ervation under paragraph (1), of the funds allo-
20 cated to a State educational agency under sub-
21 section (a)(1)(D), the State educational agency
22 shall distribute 75 percent of such funds to
23 local educational agencies or, if such State edu-
24 cational agency is not responsible for the fi-
25 nancing of education facilities, the agency shall

1 transfer such funds to the State entity respon-
 2 sible for the financing of education facilities (re-
 3 ferred to in this section as the ‘State entity’)
 4 for distribution by such entity to local edu-
 5 cational agencies in accordance with this para-
 6 graph, to be used, consistent with subsection
 7 (c), for school repair and renovation.

8 “(B) COMPETITIVE GRANTS TO LOCAL
 9 EDUCATIONAL AGENCIES.—

10 “(i) IN GENERAL.—The State edu-
 11 cational agency or State entity shall carry
 12 out a program of competitive grants to
 13 local educational agencies for the purpose
 14 described in subparagraph (A). Of the
 15 total amount available for distribution to
 16 such agencies under this paragraph, the
 17 State educational agency or State entity,
 18 shall, in carrying out the competition—

19 “(I) award to high poverty local
 20 educational agencies described in
 21 clause (ii), in the aggregate, at least
 22 an amount which bears the same rela-
 23 tionship to such total amount as the
 24 aggregate amount such local edu-
 25 cational agencies received under part

1 A of title I for fiscal year 2002 bears
2 to the aggregate amount received for
3 such fiscal year under such part by all
4 local educational agencies in the
5 State;

6 “(II) award to rural local edu-
7 cational agencies in the State, in the
8 aggregate, at least an amount which
9 bears the same relationship to such
10 total amount as the aggregate amount
11 such rural local educational agencies
12 received under part A of title I for fis-
13 cal year 2001 bears to the aggregate
14 amount received for such fiscal year
15 under such part by all local edu-
16 cational agencies in the State; and

17 “(III) award the remaining funds
18 to local educational agencies not re-
19 ceiving an award under subclause (I)
20 or (II), including high poverty and
21 rural local educational agencies that
22 did not receive such an award.

23 “(ii) HIGH POVERTY LOCAL EDU-
24 CATIONAL AGENCIES.—A local educational
25 agency is described in this clause if—

1 “(I) the percentage described in
2 subparagraph (C)(i) with respect to
3 the agency is 30 percent or greater; or

4 “(II) the number of children de-
5 scribed in such subparagraph with re-
6 spect to the agency is at least 10,000.

7 “(C) CRITERIA FOR AWARDING GRANTS.—

8 In awarding competitive grants under this para-
9 graph, a State educational agency or State enti-
10 ty shall take into account the following criteria:

11 “(i) The percentage of poor children 5
12 to 17 years of age, inclusive, in a local
13 educational agency.

14 “(ii) The need of a local educational
15 agency for school repair and renovation, as
16 demonstrated by the condition of its public
17 school facilities.

18 “(iii) The fiscal capacity of a local
19 educational agency to meet its needs for
20 repair and renovation of public school fa-
21 cilities without assistance under this sec-
22 tion, including its ability to raise funds
23 through the use of local bonding capacity
24 and otherwise.

1 “(iv) In the case of a local educational
 2 agency that proposes to fund a repair or
 3 renovation project for a charter school or
 4 schools, the extent to which the school or
 5 schools have access to funding for the
 6 project through the financing methods
 7 available to other public schools or local
 8 educational agencies in the State.

9 “(v) The likelihood that the local edu-
 10 cational agency will maintain, in good con-
 11 dition, any facility whose repair or renova-
 12 tion is assisted under this section.

13 “(D) POSSIBLE MATCHING REQUIRE-
 14 MENT.—

15 “(i) IN GENERAL.—A State edu-
 16 cational agency or State entity may require
 17 local educational agencies to match funds
 18 awarded under this subsection.

19 “(ii) MATCH AMOUNT.—The amount
 20 of a match described in clause (i) may be
 21 established by using a sliding scale that
 22 takes into account the relative poverty of
 23 the population served by the local edu-
 24 cational agency.

1 “(3) RESERVATION FOR COMPETITIVE IDEA OR
2 TECHNOLOGY GRANTS TO LOCAL EDUCATIONAL
3 AGENCIES.—

4 “(A) IN GENERAL.—Subject to the res-
5 ervation under paragraph (1), of the funds allo-
6 cated to a State educational agency under sub-
7 section (a)(1)(D), the State educational agency
8 shall distribute 25 percent of such funds to
9 local educational agencies through competitive
10 grant processes, to be used for the following:

11 “(i) To carry out activities under part
12 B of the Individuals with Disabilities Edu-
13 cation Act (20 U.S.C. 1411 et seq.).

14 “(ii) For technology activities that are
15 carried out in connection with school repair
16 and renovation, including—

17 “(I) wiring;

18 “(II) acquiring hardware and
19 software;

20 “(III) acquiring connectivity link-
21 ages and resources; and

22 “(IV) acquiring microwave, fiber
23 optics, cable, and satellite trans-
24 mission equipment.

1 “(B) CRITERIA FOR AWARDING IDEA
2 GRANTS.—In awarding competitive grants
3 under subparagraph (A) to be used to carry out
4 activities under part B of the Individuals with
5 Disabilities Education Act (20 U.S.C. 1411 et
6 seq.), a State educational agency shall take into
7 account the following criteria:

8 “(i) The need of a local educational
9 agency for additional funds for a student
10 whose individually allocable cost for ex-
11 penses related to the Individuals with Dis-
12 abilities Education Act substantially ex-
13 ceeds the State’s average per-pupil expend-
14 iture (as defined in section 14101(2)).

15 “(ii) The need of a local educational
16 agency for additional funds for special edu-
17 cation and related services under part B of
18 the Individuals with Disabilities Education
19 Act (20 U.S.C. 1411 et seq.).

20 “(iii) The need of a local educational
21 agency for additional funds for assistive
22 technology devices (as defined in section
23 602 of the Individuals with Disabilities
24 Education Act (20 U.S.C. 1401)) or assist-
25 ive technology services (as so defined) for

1 children being served under part B of the
2 Individuals with Disabilities Education Act
3 (20 U.S.C. 1411 et seq.).

4 “(iv) The need of a local educational
5 agency for additional funds for activities
6 under part B of the Individuals with Dis-
7 abilities Education Act (20 U.S.C. 1411 et
8 seq.) in order for children with disabilities
9 to make progress toward meeting the per-
10 formance goals and indicators established
11 by the State under section 612(a)(16) of
12 such Act (20 U.S.C. 1412).

13 “(C) CRITERIA FOR AWARDED TECH-
14 NOLOGY GRANTS.—In awarding competitive
15 grants under subparagraph (A) to be used for
16 technology activities that are carried out in con-
17 nection with school repair and renovation, a
18 State educational agency shall take into account
19 the need of a local educational agency for addi-
20 tional funds for such activities, including the
21 need for the activities described in subclauses
22 (I) through (IV) of subparagraph (A)(ii).

23 “(c) RULES APPLICABLE TO SCHOOL REPAIR AND
24 RENOVATION.—With respect to funds made available

1 under this section that are used for school repair and ren-
2 ovation, the following rules shall apply:

3 “(1) PERMISSIBLE USES OF FUNDS.—School
4 repair and renovation shall be limited to one or more
5 of the following:

6 “(A) Emergency repairs or renovations to
7 public school facilities only to ensure the health
8 and safety of students and staff, including—

9 “(i) repairing, replacing, or installing
10 roofs, electrical wiring, plumbing systems,
11 or sewage systems;

12 “(ii) repairing, replacing, or installing
13 heating, ventilation, or air conditioning
14 systems (including insulation); and

15 “(iii) bringing public schools into com-
16 pliance with fire and safety codes.

17 “(B) School facilities modifications nec-
18 essary to render public school facilities acces-
19 sible in order to comply with the Americans
20 with Disabilities Act of 1990 (42 U.S.C. 12101
21 et seq.).

22 “(C) School facilities modifications nec-
23 essary to render public school facilities acces-
24 sible in order to comply with section 504 of the
25 Rehabilitation Act of 1973 (29 U.S.C. 794).

1 “(D) Asbestos abatement or removal from
2 public school facilities.

3 “(E) Renovation, repair, and acquisition
4 needs related to the building infrastructure of a
5 charter school.

6 “(2) IMPERMISSIBLE USES OF FUNDS.—No
7 funds received under this section may be used for—

8 “(A) payment of maintenance costs in con-
9 nection with any projects constructed in whole
10 or part with Federal funds provided under this
11 section;

12 “(B) the construction of new facilities, ex-
13 cept for facilities for an impacted local edu-
14 cational agency (as defined in subsection
15 (a)(3)); or

16 “(C) stadiums or other facilities primarily
17 used for athletic contests or exhibitions or other
18 events for which admission is charged to the
19 general public.

20 “(3) CHARTER SCHOOLS.—A public charter
21 school that constitutes a local educational agency
22 under State law shall be eligible for assistance under
23 the same terms and conditions as any other local
24 educational agency (as defined in section
25 14101(18)).

1 “(4) SUPPLEMENT, NOT SUPPLANT.—Excluding
2 the uses described in subparagraphs (B) and (C) of
3 paragraph (1), a local educational agency shall use
4 Federal funds subject to this subsection only to sup-
5 plement the amount of funds that would, in the ab-
6 sence of such Federal funds, be made available from
7 non-Federal sources for school repair and renova-
8 tion.

9 “(d) SPECIAL RULE.—Each local educational agency
10 that receives funds under this section shall ensure that,
11 if it carries out repair or renovation through a contract,
12 any such contract process ensures the maximum number
13 of qualified bidders, including small, minority, and women-
14 owned businesses, through full and open competition.

15 “(e) PUBLIC COMMENT.—Each local educational
16 agency receiving funds under paragraph (2) or (3) of sub-
17 section (b)—

18 “(1) shall provide parents, educators, and all
19 other interested members of the community the op-
20 portunity to consult on the use of funds received
21 under such paragraph;

22 “(2) shall provide the public with adequate and
23 efficient notice of the opportunity described in para-
24 graph (1) in a widely read and distributed medium;
25 and

1 “(3) shall provide the opportunity described in
 2 paragraph (1) in accordance with any applicable
 3 State and local law specifying how the comments
 4 may be received and how the comments may be re-
 5 viewed by any member of the public.

6 “(f) REPORTING.—

7 “(1) LOCAL REPORTING.—Each local edu-
 8 cational agency receiving funds under subsection
 9 (a)(1)(D) shall submit a report to the State edu-
 10 cational agency, at such time as the State edu-
 11 cational agency may require, describing the use of
 12 such funds for—

13 “(A) school repair and renovation (and
 14 construction, in the case of an impacted local
 15 educational agency (as defined in subsection
 16 (a)(3)));

17 “(B) activities under part B of the Individ-
 18 uals with Disabilities Education Act (20 U.S.C.
 19 1411 et seq.); and

20 “(C) technology activities that are carried
 21 out in connection with school repair and renova-
 22 tion, including the activities described in sub-
 23 clauses (I) through (IV) of subsection
 24 (b)(3)(A)(ii).

1 “(2) STATE REPORTING.—Each State edu-
 2 cational agency shall submit to the Secretary of
 3 Education, not later than December 31, 2003, a re-
 4 port on the use of funds received under subsection
 5 (a)(1)(D) by local educational agencies for—

6 “(A) school repair and renovation (and
 7 construction, in the case of an impacted local
 8 educational agency (as defined in subsection
 9 (a)(3)));

10 “(B) activities under part B of the Individ-
 11 uals with Disabilities Education Act (20 U.S.C.
 12 1411 et seq.); and

13 “(C) technology activities that are carried
 14 out in connection with school repair and renova-
 15 tion, including the activities described in sub-
 16 clauses (I) through (IV) of subsection
 17 (b)(3)(A)(ii).

18 “(3) ADDITIONAL REPORTS.—Each entity re-
 19 ceiving funds allocated under subsection (a)(1) (A)
 20 of (B) shall submit to the Secretary, not later than
 21 December 31, 2003, a report on its uses of funds
 22 under this section, in such form and containing such
 23 information as the Secretary may require.

24 “(g) APPLICABILITY OF PART B OF IDEA.—If a
 25 local educational agency uses funds received under this

1 section to carry out activities under part B of the Individ-
 2 uals with Disabilities Education Act (20 U.S.C. 1411 et
 3 seq.), such part (including provisions respecting the par-
 4 ticipation of private school children), and any other provi-
 5 sion of law that applies to such part, shall apply to such
 6 use.

7 “(h) REALLOCATION.—If a State educational agency
 8 does not apply for an allocation of funds under subsection
 9 (a)(1)(D) for fiscal year 2002, or does not use its entire
 10 allocation for such fiscal year, the Secretary may reallo-
 11 cate the amount of the State educational agency’s alloca-
 12 tion (or the remainder thereof, as the case may be) to the
 13 remaining State educational agencies in accordance with
 14 subsection (a)(1)(D).

15 “(i) PARTICIPATION OF PRIVATE SCHOOLS.—

16 “(1) IN GENERAL.—Section 6402 shall apply to
 17 subsection (b)(2) in the same manner as it applies
 18 to activities under title VI, except that—

19 “(A) such section shall not apply with re-
 20 spect to the title to any real property renovated
 21 or repaired with assistance provided under this
 22 section;

23 “(B) the term ‘services’ as used in section
 24 6402 with respect to funds under this section
 25 shall be provided only to private, nonprofit ele-

1 mentary or secondary schools with a rate of
2 child poverty of at least 40 percent and may in-
3 clude for purposes of subsection (b)(2) only—

4 “(i) modifications of school facilities
5 necessary to meet the standards applicable
6 to public schools under the Americans with
7 Disabilities Act of 1990 (42 U.S.C. 12101
8 et seq.);

9 “(ii) modifications of school facilities
10 necessary to meet the standards applicable
11 to public schools under section 504 of the
12 Rehabilitation Act of 1973 (29 U.S.C.
13 794); and

14 “(iii) asbestos abatement or removal
15 from school facilities; and

16 “(C) notwithstanding the requirements of
17 section 6402(b), expenditures for services pro-
18 vided using funds made available under sub-
19 section (b)(2) shall be considered equal for pur-
20 poses of such section if the per-pupil expendi-
21 tures for services described in subparagraph
22 (B) for students enrolled in private nonprofit el-
23 ementary and secondary schools that have child
24 poverty rates of at least 40 percent are con-
25 sistent with the per-pupil expenditures under

1 this section for children enrolled in the public
2 schools in the school district of the local edu-
3 cational agency receiving funds under this sec-
4 tion.

5 “(2) REMAINING FUNDS.—If the expenditure
6 for services described in paragraph (1)(B) is less
7 than the amount calculated under paragraph (1)(C)
8 because of insufficient need for such services, the re-
9 mainder shall be available to the local educational
10 agency for renovation and repair of public school fa-
11 cilities.

12 “(3) APPLICATION.—If any provision of this
13 section, or the application thereof, to any person or
14 circumstances is judicially determined to be invalid,
15 the provisions of the remainder of the section and
16 the application to other persons or circumstances
17 shall not be affected thereby.

18 “(j) DEFINITIONS.—For purposes of this section:

19 “(1) CHARTER SCHOOL.—The term ‘charter
20 school’ has the meaning given such term in section
21 10310(1).

22 “(2) POOR CHILDREN AND CHILD POVERTY.—
23 The terms ‘poor children’ and ‘child poverty’ refer to
24 children 5 to 17 years of age, inclusive, who are
25 from families with incomes below the poverty line

1 (as defined by the Office of Management and Budg-
 2 et and revised annually in accordance with section
 3 673(2) of the Community Services Block Grant (42
 4 U.S.C. 9902(2)) applicable to a family of the size in-
 5 volved for the most recent fiscal year for which data
 6 satisfactory to the Secretary are available.

7 “(3) RURAL LOCAL EDUCATIONAL AGENCY.—
 8 The term ‘rural local educational agency’ means a
 9 local educational agency that the State determines is
 10 located in a rural area using objective data and a
 11 commonly employed definition of the term ‘rural’.

12 “(4) STATE.—The term ‘State’ means each of
 13 the 50 states, the District of Columbia, and the
 14 Commonwealth of Puerto Rico.

15 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
 16 is authorized to be appropriated to carry out this section,
 17 \$1,600,000,000 for fiscal year 2002, and such sums as
 18 may be necessary for each of fiscal years 2003 through
 19 2006.”.

20 **SEC. 312. CHARTER SCHOOL CREDIT ENHANCEMENT INI-**
 21 **TIATIVE.**

22 Section 10331, as added by section 322 of the De-
 23 partments of Labor, Health and Human Services, and
 24 Education, and Related Agencies Appropriations Act,
 25 2001 (as enacted into law by section 1(a)(1) of Public Law

1 106–554) is amended by inserting before the period the
 2 following: “, and such sums as may be necessary for each
 3 of fiscal years 2002 through 2006”.

4 **CHAPTER 2—SCHOOL CONSTRUCTION**

5 **SEC. 321. SHORT TITLE.**

6 This chapter may be cited as the “America’s Better
 7 Classrooms Act of 2001”.

8 **SEC. 322. EXPANSION OF INCENTIVES FOR PUBLIC** 9 **SCHOOLS.**

10 (a) IN GENERAL.—Chapter 1 of the Internal Rev-
 11 enue Code of 1986 is amended by adding at the end the
 12 following new subchapter:

13 **“Subchapter X—Public School Modernization** 14 **Provisions**

“Sec. 1400F. Credit to holders of qualified public school mod-
 ernization bonds.

“Sec. 1400G. Qualified school construction bonds.

“Sec. 1400H. Qualified zone academy bonds.

15 **“SEC. 1400F. CREDIT TO HOLDERS OF QUALIFIED PUBLIC** 16 **SCHOOL MODERNIZATION BONDS.**

17 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
 18 payer who holds a qualified public school modernization
 19 bond on a credit allowance date of such bond which occurs
 20 during the taxable year, there shall be allowed as a credit
 21 against the tax imposed by this chapter for such taxable
 22 year an amount equal to the sum of the credits determined

1 under subsection (b) with respect to credit allowance dates
 2 during such year on which the taxpayer holds such bond.

3 “(b) AMOUNT OF CREDIT.—

4 “(1) IN GENERAL.—The amount of the credit
 5 determined under this subsection with respect to any
 6 credit allowance date for a qualified public school
 7 modernization bond is 25 percent of the annual
 8 credit determined with respect to such bond.

9 “(2) ANNUAL CREDIT.—The annual credit de-
 10 termined with respect to any qualified public school
 11 modernization bond is the product of—

12 “(A) the applicable credit rate, multiplied
 13 by

14 “(B) the outstanding face amount of the
 15 bond.

16 “(3) APPLICABLE CREDIT RATE.—For purposes
 17 of paragraph (1), the applicable credit rate with re-
 18 spect to an issue is the rate equal to an average
 19 market yield (as of the day before the date of
 20 issuance of the issue) on outstanding long-term cor-
 21 porate debt obligations (determined under regula-
 22 tions prescribed by the Secretary).

23 “(4) SPECIAL RULE FOR ISSUANCE AND RE-
 24 DEMPTION.—In the case of a bond which is issued
 25 during the 3-month period ending on a credit allow-

1 ance date, the amount of the credit determined
 2 under this subsection with respect to such credit al-
 3 lowance date shall be a ratable portion of the credit
 4 otherwise determined based on the portion of the 3-
 5 month period during which the bond is outstanding.
 6 A similar rule shall apply when the bond is re-
 7 deemed.

8 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

9 “(1) IN GENERAL.—The credit allowed under
 10 subsection (a) for any taxable year shall not exceed
 11 the excess of—

12 “(A) the sum of the regular tax liability
 13 (as defined in section 26(b)) plus the tax im-
 14 posed by section 55, over

15 “(B) the sum of the credits allowable
 16 under part IV of subchapter A (other than sub-
 17 part C thereof, relating to refundable credits).

18 “(2) CARRYOVER OF UNUSED CREDIT.—If the
 19 credit allowable under subsection (a) exceeds the
 20 limitation imposed by paragraph (1) for such taxable
 21 year, such excess shall be carried to the succeeding
 22 taxable year and added to the credit allowable under
 23 subsection (a) for such taxable year.

1 “(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION
2 BOND; CREDIT ALLOWANCE DATE.—For purposes of this
3 section—

4 “(1) QUALIFIED PUBLIC SCHOOL MODERNIZA-
5 TION BOND.—The term ‘qualified public school mod-
6 ernization bond’ means—

7 “(A) a qualified zone academy bond, and

8 “(B) a qualified school construction bond.

9 “(2) CREDIT ALLOWANCE DATE.—The term
10 ‘credit allowance date’ means—

11 “(A) March 15,

12 “(B) June 15,

13 “(C) September 15, and

14 “(D) December 15.

15 Such term includes the last day on which the bond
16 is outstanding.

17 “(e) OTHER DEFINITIONS.—For purposes of this
18 subchapter—

19 “(1) LOCAL EDUCATIONAL AGENCY.—The term
20 ‘local educational agency’ has the meaning given to
21 such term by section 14101 of the Elementary and
22 Secondary Education Act of 1965. Such term in-
23 cludes the local educational agency that serves the
24 District of Columbia but does not include any other
25 State agency.

1 “(2) BOND.—The term ‘bond’ includes any ob-
2 ligation.

3 “(3) STATE.—The term ‘State’ includes the
4 District of Columbia and any possession of the
5 United States.

6 “(4) PUBLIC SCHOOL FACILITY.—The term
7 ‘public school facility’ shall not include—

8 “(A) any stadium or other facility pri-
9 marily used for athletic contests or exhibitions
10 or other events for which admission is charged
11 to the general public, or

12 “(B) any facility which is not owned by a
13 State or local government or any agency or in-
14 strumentality of a State or local government.

15 “(f) CREDIT INCLUDED IN GROSS INCOME.—Gross
16 income includes the amount of the credit allowed to the
17 taxpayer under this section (determined without regard to
18 subsection (e)) and the amount so included shall be treat-
19 ed as interest income.

20 “(g) BONDS HELD BY REGULATED INVESTMENT
21 COMPANIES.—If any qualified public school modernization
22 bond is held by a regulated investment company, the credit
23 determined under subsection (a) shall be allowed to share-
24 holders of such company under procedures prescribed by
25 the Secretary.

1 “(h) CREDITS MAY BE STRIPPED.—Under regula-
2 tions prescribed by the Secretary—

3 “(1) IN GENERAL.—There may be a separation
4 (including at issuance) of the ownership of a quali-
5 fied public school modernization bond and the enti-
6 tlement to the credit under this section with respect
7 to such bond. In case of any such separation, the
8 credit under this section shall be allowed to the per-
9 son who on the credit allowance date holds the in-
10 strument evidencing the entitlement to the credit
11 and not to the holder of the bond.

12 “(2) CERTAIN RULES TO APPLY.—In the case
13 of a separation described in paragraph (1), the rules
14 of section 1286 shall apply to the qualified public
15 school modernization bond as if it were a stripped
16 bond and to the credit under this section as if it
17 were a stripped coupon.

18 “(i) TREATMENT FOR ESTIMATED TAX PURPOSES.—
19 Solely for purposes of sections 6654 and 6655, the credit
20 allowed by this section to a taxpayer by reason of holding
21 a qualified public school modernization bonds on a credit
22 allowance date shall be treated as if it were a payment
23 of estimated tax made by the taxpayer on such date.

24 “(j) CREDIT MAY BE TRANSFERRED.—Nothing in
25 any law or rule of law shall be construed to limit the trans-

1 ferability of the credit allowed by this section through sale
2 and repurchase agreements.

3 “(k) REPORTING.—Issuers of qualified public school
4 modernization bonds shall submit reports similar to the
5 reports required under section 149(e).

6 “(l) TERMINATION.—This section shall not apply to
7 any bond issued after September 30, 2006.

8 **“SEC. 1400G. QUALIFIED SCHOOL CONSTRUCTION BONDS.**

9 “(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—
10 For purposes of this subchapter, the term ‘qualified school
11 construction bond’ means any bond issued as part of an
12 issue if—

13 “(1) 95 percent or more of the proceeds of such
14 issue are to be used for the construction, rehabilita-
15 tion, or repair of a public school facility or for the
16 acquisition of land on which such a facility is to be
17 constructed with part of the proceeds of such issue,

18 “(2) the bond is issued by a State or local gov-
19 ernment within the jurisdiction of which such school
20 is located,

21 “(3) the issuer designates such bond for pur-
22 poses of this section, and

23 “(4) the term of each bond which is part of
24 such issue does not exceed 15 years.

1 “(b) LIMITATION ON AMOUNT OF BONDS DES-
 2 IGNATED.—The maximum aggregate face amount of
 3 bonds issued during any calendar year which may be des-
 4 ignated under subsection (a) by any issuer shall not exceed
 5 the sum of—

6 “(1) the limitation amount allocated under sub-
 7 section (d) for such calendar year to such issuer,
 8 and

9 “(2) if such issuer is a large local educational
 10 agency (as defined in subsection (e)(4)) or is issuing
 11 on behalf of such an agency, the limitation amount
 12 allocated under subsection (e) for such calendar year
 13 to such agency.

14 “(c) NATIONAL LIMITATION ON AMOUNT OF BONDS
 15 DESIGNATED.—There is a national qualified school con-
 16 struction bond limitation for each calendar year. Such lim-
 17 itation is—

18 “(1) \$11,000,000,000 for 2002,

19 “(2) \$11,000,000,000 for 2003, and

20 “(3) except as provided in subsection (f), zero
 21 after 2003.

22 “(d) 60 PERCENT OF LIMITATION ALLOCATED
 23 AMONG STATES.—

24 “(1) IN GENERAL.—60 percent of the limitation
 25 applicable under subsection (c) for any calendar year

1 shall be allocated by the Secretary among the States
 2 in proportion to the respective numbers of children
 3 in each State who have attained age 5 but not age
 4 18 for the most recent fiscal year ending before such
 5 calendar year. The limitation amount allocated to a
 6 State under the preceding sentence shall be allocated
 7 by the State to issuers within such State and such
 8 allocations may be made only if there is an approved
 9 State application.

10 “(2) MINIMUM ALLOCATIONS TO STATES.—

11 “(A) IN GENERAL.—The Secretary shall
 12 adjust the allocations under this subsection for
 13 any calendar year for each State to the extent
 14 necessary to ensure that the sum of—

15 “(i) the amount allocated to such
 16 State under this subsection for such year,
 17 and

18 “(ii) the aggregate amounts allocated
 19 under subsection (e) to large local edu-
 20 cational agencies in such State for such
 21 year,

22 is not less than an amount equal to such
 23 State’s minimum percentage of the amount to
 24 be allocated under paragraph (1) for the cal-
 25 endar year.

1 “(B) MINIMUM PERCENTAGE.—A State’s
2 minimum percentage for any calendar year is
3 the minimum percentage described in section
4 1124(d) of the Elementary and Secondary Edu-
5 cation Act of 1965 (20 U.S.C. 6334(d)) for
6 such State for the most recent fiscal year end-
7 ing before such calendar year.

8 “(3) ALLOCATIONS TO CERTAIN POSSES-
9 SIONS.—The amount to be allocated under para-
10 graph (1) to any possession of the United States
11 other than Puerto Rico shall be the amount which
12 would have been allocated if all allocations under
13 paragraph (1) were made on the basis of respective
14 populations of individuals below the poverty line (as
15 defined by the Office of Management and Budget).
16 In making other allocations, the amount to be allo-
17 cated under paragraph (1) shall be reduced by the
18 aggregate amount allocated under this paragraph to
19 possessions of the United States.

20 “(4) ALLOCATIONS FOR INDIAN SCHOOLS.—The
21 provisions of section 1400J shall apply with respect
22 to the construction, rehabilitation, and repair of
23 schools funded by the Bureau of Indian Affairs. No
24 funds may be allocated under this section for such
25 schools.

1 “(5) APPROVED STATE APPLICATION.—For
 2 purposes of paragraph (1), the term ‘approved State
 3 application’ means an application which is approved
 4 by the Secretary of Education and which includes—

5 “(A) the results of a recent publicly-avail-
 6 able survey (undertaken by the State with the
 7 involvement of local education officials, mem-
 8 bers of the public, and experts in school con-
 9 struction and management) of such State’s
 10 needs for public school facilities, including de-
 11 scriptions of—

12 “(i) health and safety problems at
 13 such facilities,

14 “(ii) the capacity of public schools in
 15 the State to house projected enrollments,
 16 and

17 “(iii) the extent to which the public
 18 schools in the State offer the physical in-
 19 frastructure needed to provide a high-qual-
 20 ity education to all students, and

21 “(B) a description of how the State will al-
 22 locate to local educational agencies, or other-
 23 wise use, its allocation under this subsection to
 24 address the needs identified under subpara-

1 graph (A), including a description of how it
2 will—

3 “(i) ensure that the needs of both
4 rural and urban areas will be recognized,

5 “(ii) give highest priority to localities
6 with the greatest needs, as demonstrated
7 by inadequate school facilities coupled with
8 a low level of resources to meet those
9 needs,

10 “(iii) use its allocation under this sub-
11 section to assist localities that lack the fis-
12 cal capacity to issue bonds on their own,
13 and

14 “(iv) ensure that its allocation under
15 this subsection is used only to supplement,
16 and not supplant, the amount of school
17 construction, rehabilitation, and repair in
18 the State that would have occurred in the
19 absence of such allocation.

20 Any allocation under paragraph (1) by a State shall
21 be binding if such State reasonably determined that
22 the allocation was in accordance with the plan ap-
23 proved under this paragraph.

24 “(e) 40 PERCENT OF LIMITATION ALLOCATED
25 AMONG LARGEST SCHOOL DISTRICTS.—

1 “(1) IN GENERAL.—40 percent of the limitation
2 applicable under subsection (c) for any calendar year
3 shall be allocated under paragraph (2) by the Sec-
4 retary among local educational agencies which are
5 large local educational agencies for such year. No
6 qualified school construction bond may be issued by
7 reason of an allocation to a large local educational
8 agency under the preceding sentence unless such
9 agency has an approved local application.

10 “(2) ALLOCATION FORMULA.—The amount to
11 be allocated under paragraph (1) for any calendar
12 year shall be allocated among large local educational
13 agencies in proportion to the respective amounts
14 each such agency received for Basic Grants under
15 subpart 2 of part A of title I of the Elementary and
16 Secondary Education Act of 1965 (20 U.S.C. 6331
17 et seq.) for the most recent fiscal year ending before
18 such calendar year.

19 “(3) ALLOCATION OF UNUSED LIMITATION TO
20 STATE.—The amount allocated under this subsection
21 to a large local educational agency for any calendar
22 year may be reallocated by such agency to the State
23 in which such agency is located for such calendar
24 year. Any amount reallocated to a State under the

1 preceding sentence may be allocated as provided in
 2 subsection (d)(1).

3 “(4) LARGE LOCAL EDUCATIONAL AGENCY.—

4 For purposes of this section, the term ‘large local
 5 educational agency’ means, with respect to a cal-
 6 endar year, any local educational agency if such
 7 agency is—

8 “(A) among the 100 local educational
 9 agencies with the largest numbers of children
 10 aged 5 through 17 from families living below
 11 the poverty level, as determined by the Sec-
 12 retary using the most recent data available
 13 from the Department of Commerce that are
 14 satisfactory to the Secretary, or

15 “(B) 1 of not more than 25 local edu-
 16 cational agencies (other than those described in
 17 subparagraph (A)) that the Secretary of Edu-
 18 cation determines (based on the most recent
 19 data available satisfactory to the Secretary) are
 20 in particular need of assistance, based on a low
 21 level of resources for school construction, a high
 22 level of enrollment growth, or such other factors
 23 as the Secretary deems appropriate.

24 “(5) APPROVED LOCAL APPLICATION.—For
 25 purposes of paragraph (1), the term ‘approved local

1 application' means an application which is approved
2 by the Secretary of Education and which includes—

3 “(A) the results of a recent publicly-avail-
4 able survey (undertaken by the local educational
5 agency or the State with the involvement of
6 school officials, members of the public, and ex-
7 perts in school construction and management)
8 of such agency's needs for public school facili-
9 ties, including descriptions of—

10 “(i) the overall condition of the local
11 educational agency's school facilities, in-
12 cluding health and safety problems,

13 “(ii) the capacity of the agency's
14 schools to house projected enrollments, and

15 “(iii) the extent to which the agency's
16 schools offer the physical infrastructure
17 needed to provide a high-quality education
18 to all students,

19 “(B) a description of how the local edu-
20 cational agency will use its allocation under this
21 subsection to address the needs identified under
22 subparagraph (A), and

23 “(C) a description of how the local edu-
24 cational agency will ensure that its allocation
25 under this subsection is used only to supple-

1 ment, and not supplant, the amount of school
 2 construction, rehabilitation, or repair in the lo-
 3 cality that would have occurred in the absence
 4 of such allocation.

5 A rule similar to the rule of the last sentence of sub-
 6 section (d)(6) shall apply for purposes of this para-
 7 graph.

8 “(f) CARRYOVER OF UNUSED LIMITATION.—If for
 9 any calendar year—

10 “(1) the amount allocated under subsection (d)
 11 to any State, exceeds

12 “(2) the amount of bonds issued during such
 13 year which are designated under subsection (a) pur-
 14 suant to such allocation,

15 the limitation amount under such subsection for such
 16 State for the following calendar year shall be increased
 17 by the amount of such excess. A similar rule shall apply
 18 to the amounts allocated under subsection (d)(5) or (e).

19 “(g) SPECIAL RULES RELATING TO ARBITRAGE.—

20 “(1) IN GENERAL.—A bond shall not be treated
 21 as failing to meet the requirement of subsection
 22 (a)(1) solely by reason of the fact that the proceeds
 23 of the issue of which such bond is a part are in-
 24 vested for a temporary period (but not more than 36

1 months) until such proceeds are needed for the pur-
 2 pose for which such issue was issued.

3 “(2) BINDING COMMITMENT REQUIREMENT.—
 4 Paragraph (1) shall apply to an issue only if, as of
 5 the date of issuance, there is a reasonable expecta-
 6 tion that—

7 “(A) at least 10 percent of the proceeds of
 8 the issue will be spent within the 6-month pe-
 9 riod beginning on such date for the purpose for
 10 which such issue was issued, and

11 “(B) the remaining proceeds of the issue
 12 will be spent with due diligence for such pur-
 13 pose.

14 “(3) EARNINGS ON PROCEEDS.—Any earnings
 15 on proceeds during the temporary period shall be
 16 treated as proceeds of the issue for purposes of ap-
 17 plying subsection (a)(1) and paragraph (1) of this
 18 subsection.

19 **“SEC. 1400H. QUALIFIED ZONE ACADEMY BONDS.**

20 “(a) QUALIFIED ZONE ACADEMY BOND.—For pur-
 21 poses of this subchapter—

22 “(1) IN GENERAL.—The term ‘qualified zone
 23 academy bond’ means any bond issued as part of an
 24 issue if—

1 “(A) 95 percent or more of the proceeds of
2 such issue are to be used for a qualified pur-
3 pose with respect to a qualified zone academy
4 established by a local educational agency,

5 “(B) the bond is issued by a State or local
6 government within the jurisdiction of which
7 such academy is located,

8 “(C) the issuer—

9 “(i) designates such bond for purposes
10 of this section,

11 “(ii) certifies that it has written as-
12 surances that the private business con-
13 tribution requirement of paragraph (2) will
14 be met with respect to such academy, and

15 “(iii) certifies that it has the written
16 approval of the local educational agency
17 for such bond issuance, and

18 “(D) the term of each bond which is part
19 of such issue does not exceed 15 years.

20 Rules similar to the rules of section 1400G(g) shall
21 apply for purposes of paragraph (1).

22 “(2) PRIVATE BUSINESS CONTRIBUTION RE-
23 QUIREMENT.—

24 “(A) IN GENERAL.—For purposes of para-
25 graph (1), the private business contribution re-

1 quirement of this paragraph is met with respect
2 to any issue if the local educational agency that
3 established the qualified zone academy has writ-
4 ten commitments from private entities to make
5 qualified contributions having a present value
6 (as of the date of issuance of the issue) of not
7 less than 10 percent of the proceeds of the
8 issue.

9 “(B) QUALIFIED CONTRIBUTIONS.—For
10 purposes of subparagraph (A), the term ‘quali-
11 fied contribution’ means any contribution (of a
12 type and quality acceptable to the local edu-
13 cational agency) of—

14 “(i) equipment for use in the qualified
15 zone academy (including state-of-the-art
16 technology and vocational equipment),

17 “(ii) technical assistance in developing
18 curriculum or in training teachers in order
19 to promote appropriate market driven tech-
20 nology in the classroom,

21 “(iii) services of employees as volun-
22 teer mentors,

23 “(iv) internships, field trips, or other
24 educational opportunities outside the acad-
25 emy for students, or

1 “(v) any other property or service
2 specified by the local educational agency.

3 “(3) QUALIFIED ZONE ACADEMY.—The term
4 ‘qualified zone academy’ means any public school (or
5 academic program within a public school) which is
6 established by and operated under the supervision of
7 a local educational agency to provide education or
8 training below the postsecondary level if—

9 “(A) such public school or program (as the
10 case may be) is designed in cooperation with
11 business to enhance the academic curriculum,
12 increase graduation and employment rates, and
13 better prepare students for the rigors of college
14 and the increasingly complex workforce,

15 “(B) students in such public school or pro-
16 gram (as the case may be) will be subject to the
17 same academic standards and assessments as
18 other students educated by the local educational
19 agency,

20 “(C) the comprehensive education plan of
21 such public school or program is approved by
22 the local educational agency, and

23 “(D)(i) such public school is located in an
24 empowerment zone or enterprise community
25 (including any such zone or community des-

1 ignated after the date of the enactment of this
2 section), or

3 “(ii) there is a reasonable expectation (as
4 of the date of issuance of the bonds) that at
5 least 35 percent of the students attending such
6 school or participating in such program (as the
7 case may be) will be eligible for free or reduced-
8 cost lunches under the school lunch program es-
9 tablished under the National School Lunch Act.

10 “(4) QUALIFIED PURPOSE.—The term ‘quali-
11 fied purpose’ means, with respect to any qualified
12 zone academy—

13 “(A) constructing, rehabilitating, or repair-
14 ing the public school facility in which the acad-
15 emy is established,

16 “(B) acquiring the land on which such fa-
17 cility is to be constructed with part of the pro-
18 ceeds of such issue,

19 “(C) providing equipment for use at such
20 academy,

21 “(D) developing course materials for edu-
22 cation to be provided at such academy, and

23 “(E) training teachers and other school
24 personnel in such academy.

1 “(b) LIMITATIONS ON AMOUNT OF BONDS DES-
2 IGNATED.—

3 “(1) IN GENERAL.—There is a national zone
4 academy bond limitation for each calendar year.
5 Such limitation is—

6 “(A) \$400,000,000 for 1999,

7 “(B) \$400,000,000 for 2000,

8 “(C) \$400,000,000 for 2001,

9 “(D) \$1,400,000,000 for 2002,

10 “(E) \$1,400,000,000 for 2003, and

11 “(F) except as provided in paragraph (3),
12 zero after 2003.

13 “(2) ALLOCATION OF LIMITATION.—

14 “(A) ALLOCATION AMONG STATES.—

15 “(i) 1999, 2000, AND 2001 LIMITA-
16 TIONS.—The national zone academy bond
17 limitations for calendar years 1999, 2000,
18 and 2001 shall be allocated by the Sec-
19 retary among the States on the basis of
20 their respective populations of individuals
21 below the poverty line (as defined by the
22 Office of Management and Budget).

23 “(ii) LIMITATION AFTER 2001.—The
24 national zone academy bond limitation for
25 any calendar year after 2001 shall be allo-

1 cated by the Secretary among the States in
 2 proportion to the respective amounts each
 3 such State received for Basic Grants under
 4 subpart 2 of part A of title I of the Ele-
 5 mentary and Secondary Education Act of
 6 1965 (20 U.S.C. 6331 et seq.) for the
 7 most recent fiscal year ending before such
 8 calendar year.

9 “(B) ALLOCATION TO LOCAL EDU-
 10 CATIONAL AGENCIES.—The limitation amount
 11 allocated to a State under subparagraph (A)
 12 shall be allocated by the State to qualified zone
 13 academies within such State.

14 “(C) DESIGNATION SUBJECT TO LIMITA-
 15 TION AMOUNT.—The maximum aggregate face
 16 amount of bonds issued during any calendar
 17 year which may be designated under subsection
 18 (a) with respect to any qualified zone academy
 19 shall not exceed the limitation amount allocated
 20 to such academy under subparagraph (B) for
 21 such calendar year.

22 “(3) CARRYOVER OF UNUSED LIMITATION.—If
 23 for any calendar year—

24 “(A) the limitation amount under this sub-
 25 section for any State, exceeds

1 “(B) the amount of bonds issued during
 2 such year which are designated under sub-
 3 section (a) (or the corresponding provisions of
 4 prior law) with respect to qualified zone acad-
 5 emies within such State,

6 the limitation amount under this subsection for such
 7 State for the following calendar year shall be in-
 8 creased by the amount of such excess.”

9 (b) REPORTING.—Subsection (d) of section 6049 of
 10 such Code (relating to returns regarding payments of in-
 11 terest) is amended by adding at the end the following new
 12 paragraph:

13 “(8) REPORTING OF CREDIT ON QUALIFIED
 14 PUBLIC SCHOOL MODERNIZATION BONDS.—

15 “(A) IN GENERAL.—For purposes of sub-
 16 section (a), the term ‘interest’ includes amounts
 17 includible in gross income under section
 18 1400F(f) and such amounts shall be treated as
 19 paid on the credit allowance date (as defined in
 20 section 1400F(d)(2)).

21 “(B) REPORTING TO CORPORATIONS,
 22 ETC.—Except as otherwise provided in regula-
 23 tions, in the case of any interest described in
 24 subparagraph (A) of this paragraph, subsection
 25 (b)(4) of this section shall be applied without

1 regard to subparagraphs (A), (H), (I), (J), (K),
2 and (L)(i).

3 “(C) REGULATORY AUTHORITY.—The Sec-
4 retary may prescribe such regulations as are
5 necessary or appropriate to carry out the pur-
6 poses of this paragraph, including regulations
7 which require more frequent or more detailed
8 reporting.”

9 (c) CONFORMING AMENDMENTS.—

10 (1) Subchapter U of chapter 1 of such Code is
11 amended by striking part IV, by redesignating part
12 V as part IV, and by redesignating section 1397F
13 as section 1397E.

14 (2) The table of subchapters for chapter 1 of
15 such Code is amended by adding at the end the fol-
16 lowing new item:

 “Subchapter X. Public school modernization provisions.”

17 (3) The table of parts of subchapter U of chap-
18 ter 1 of such Code is amended by striking the last
19 2 items and inserting the following item:

 “Part IV. Regulations.”

20 (e) EFFECTIVE DATES.—

21 (1) IN GENERAL.—Except as otherwise pro-
22 vided in this subsection, the amendments made by
23 this section shall apply to obligations issued after
24 December 31, 2001.

1 (2) REPEAL OF RESTRICTION ON ZONE ACAD-
 2 EMY BOND HOLDERS.—In the case of bonds to
 3 which section 1397E of the Internal Revenue Code
 4 of 1986 (as in effect before the date of the enact-
 5 ment of this Act) applies, the limitation of such sec-
 6 tion to eligible taxpayers (as defined in subsection
 7 (d)(6) of such section) shall not apply after the date
 8 of the enactment of this Act.

9 **SEC. 323. APPLICATION OF CERTAIN LABOR STANDARDS**
 10 **ON CONSTRUCTION PROJECTS FINANCED**
 11 **UNDER PUBLIC SCHOOL MODERNIZATION**
 12 **PROGRAM.**

13 Section 439 of the General Education Provisions Act
 14 (relating to labor standards) is amended—

15 (1) by inserting “(a)” before “All laborers and
 16 mechanics”, and

17 (2) by adding at the end the following:

18 “(b)(1) For purposes of this section, the term ‘appli-
 19 cable program’ also includes the qualified zone academy
 20 bond provisions enacted by section 226 of the Taxpayer
 21 Relief Act of 1997 and the program established by section
 22 322 of the America’s Better Classroom Act of 2001.

23 “(2) A State or local government participating in a
 24 program described in paragraph (1) shall—

1 “(A) in the awarding of contracts, give priority
 2 to contractors with substantial numbers of employ-
 3 ees residing in the local education area to be served
 4 by the school being constructed; and

5 “(B) include in the construction contract for
 6 such school a requirement that the contractor give
 7 priority in hiring new workers to individuals residing
 8 in such local education area.

9 “(3) In the case of a program described in paragraph
 10 (1), nothing in this subsection or subsection (a) shall be
 11 construed to deny any tax credit allowed under such pro-
 12 gram. If amounts are required to be withheld from con-
 13 tractors to pay wages to which workers are entitled, such
 14 amounts shall be treated as expended for construction pur-
 15 poses in determining whether the requirements of such
 16 program are met.”.

17 **SEC. 324. EMPLOYMENT AND TRAINING ACTIVITIES RELAT-**
 18 **ING TO CONSTRUCTION OR RECONSTRUC-**
 19 **TION OF PUBLIC SCHOOL FACILITIES.**

20 (a) IN GENERAL.—Section 134 of the Workforce In-
 21 vestment Act of 1998 (29 U.S.C. 2864) is amended by
 22 adding at the end the following:

23 “(f) LOCAL EMPLOYMENT AND TRAINING ACTIVI-
 24 TIES RELATING TO CONSTRUCTION OR RECONSTRUCTION
 25 OF PUBLIC SCHOOL FACILITIES.—

1 “(1) IN GENERAL.—In order to provide training
2 services related to construction or reconstruction of
3 public school facilities receiving funding assistance
4 under an applicable program, each State shall estab-
5 lish a specialized program of training meeting the
6 following requirements:

7 “(A) The specialized program provides
8 training for jobs in the construction industry.

9 “(B) The program provides trained work-
10 ers for projects for the construction or recon-
11 struction of public school facilities receiving
12 funding assistance under an applicable pro-
13 gram.

14 “(C) The program ensures that skilled
15 workers (residing in the area to be served by
16 the school facilities) will be available for the
17 construction or reconstruction work.

18 “(2) COORDINATION.—The specialized program
19 established under paragraph (1) shall be integrated
20 with other activities under this Act, with the activi-
21 ties carried out under the National Apprenticeship
22 Act of 1937 by the State Apprenticeship Council or
23 through the Bureau of Apprenticeship and Training
24 in the Department of Labor, as appropriate, and
25 with activities carried out under the Carl D. Perkins

1 Vocational and Technical Education Act of 1998.
 2 Nothing in this subsection shall be construed to re-
 3 quire services duplicative of those referred to in the
 4 preceding sentence.

5 “(3) APPLICABLE PROGRAM.—In this sub-
 6 section, the term ‘applicable program’ has the mean-
 7 ing given the term in section 439(b) of the General
 8 Education Provisions Act (relating to labor stand-
 9 ards).”.

10 (b) STATE PLAN.—Section 112(b)(17)(A) of the
 11 Workforce Investment Act of 1998 (29 U.S.C.
 12 2822(b)(17)(A)) is amended—

13 (1) in clause (iii), by striking “and” at the end;

14 (2) by redesignating clause (iv) as clause (v);

15 and

16 (3) by inserting after clause (iii) the following:

17 “(iv) how the State will establish and
 18 carry out a specialized program of training
 19 under section 134(f); and”.

20 **SEC. 325. INDIAN SCHOOL CONSTRUCTION.**

21 (a) DEFINITIONS.—In this section:

22 (1) BUREAU.—The term “Bureau” means the
 23 Bureau of Indian Affairs of the Department of the
 24 Interior.

1 (2) INDIAN.—The term “Indian” means any in-
2 dividual who is a member of a tribe.

3 (3) SECRETARY.—The term “Secretary” means
4 the Secretary of the Interior.

5 (4) TRIBAL SCHOOL.—The term “tribal school”
6 means an elementary school, secondary school, or
7 dormitory that is operated by a tribal organization
8 or the Bureau for the education of Indian children
9 and that receives financial assistance for its oper-
10 ation under an appropriation for the Bureau under
11 section 102, 103(a), or 208 of the Indian Self-Deter-
12 mination and Education Assistance Act (25 U.S.C.
13 450f, 450h(a), and 458d) or under the Tribally Con-
14 trolled Schools Act of 1988 (25 U.S.C. 2501 et seq.)
15 under a contract, a grant, or an agreement, or for
16 a Bureau-operated school.

17 (5) TRIBE.—The term “tribe” has the meaning
18 given the term “Indian tribal government” by sec-
19 tion 7701(a)(40) of the Internal Revenue Code of
20 1986, including the application of section 7871(d) of
21 such Code. Such term includes any consortium of
22 tribes approved by the Secretary.

23 (b) ISSUANCE OF BONDS.—

24 (1) IN GENERAL.—The Secretary shall establish
25 a pilot program under which eligible tribes have the

1 authority to issue qualified tribal school moderniza-
2 tion bonds to provide funding for the construction,
3 rehabilitation, or repair of tribal schools, including
4 the advance planning and design thereof.

5 (2) ELIGIBILITY.—

6 (A) IN GENERAL.—To be eligible to issue
7 any qualified tribal school modernization bond
8 under the program under paragraph (1), a tribe
9 shall—

10 (i) prepare and submit to the Sec-
11 retary a plan of construction that meets
12 the requirements of subparagraph (B);

13 (ii) provide for quarterly and final in-
14 spection of the project by the Bureau; and

15 (iii) pledge that the facilities financed
16 by such bond will be used primarily for ele-
17 mentary and secondary educational pur-
18 poses for not less than the period such
19 bond remains outstanding.

20 (B) PLAN OF CONSTRUCTION.—A plan of
21 construction meets the requirements of this
22 subparagraph if such plan—

23 (i) contains a description of the con-
24 struction to be undertaken with funding

1 provided under a qualified tribal school
2 modernization bond;

3 (ii) demonstrates that a comprehen-
4 sive survey has been undertaken con-
5 cerning the construction needs of the tribal
6 school involved;

7 (iii) contains assurances that funding
8 under the bond will be used only for the
9 activities described in the plan;

10 (iv) contains response to the evalua-
11 tion criteria contained in Instructions and
12 Application for Replacement School Con-
13 struction, Revision 6, dated February 6,
14 1999; and

15 (v) contains any other reasonable and
16 related information determined appropriate
17 by the Secretary.

18 (C) PRIORITY.—In determining whether a
19 tribe is eligible to participate in the program
20 under this subsection, the Secretary shall give
21 priority to tribes that, as demonstrated by the
22 relevant plans of construction, will fund
23 projects—

24 (i) described in the Education Facili-
25 ties Replacement Construction Priorities

1 List as of FY 2000 of the Bureau of In-
2 dian Affairs (65 Fed. Reg. 4623–4624);

3 (ii) described in any subsequent prior-
4 ities list published in the Federal Register;

5 or

6 (iii) which meet the criteria for rank-
7 ing schools as described in Instructions
8 and Application for Replacement School
9 Construction, Revision 6, dated February
10 6, 1999.

11 (D) ADVANCE PLANNING AND DESIGN
12 FUNDING.—A tribe may propose in its plan of
13 construction to receive advance planning and
14 design funding from the tribal school mod-
15 ernization escrow account established under
16 paragraph (6)(B). Before advance planning and
17 design funds are allocated from the escrow ac-
18 count, the tribe shall agree to issue qualified
19 tribal school modernization bonds after the re-
20 ceipt of such funds and agree as a condition of
21 each bond issuance that the tribe will deposit
22 into such account or a fund managed by the
23 trustee as described in paragraph (4)(C) an
24 amount equal to the amount of such funds re-
25 ceived from the escrow account.

1 (3) PERMISSIBLE ACTIVITIES.—In addition to
2 the use of funds permitted under paragraph (1), a
3 tribe may use amounts received through the issuance
4 of a qualified tribal school modernization bond to—

5 (A) enter into and make payments under
6 contracts with licensed and bonded architects,
7 engineers, and construction firms in order to
8 determine the needs of the tribal school and for
9 the design and engineering of the school;

10 (B) enter into and make payments under
11 contracts with financial advisors, underwriters,
12 attorneys, trustees, and other professionals who
13 would be able to provide assistance to the tribe
14 in issuing bonds; and

15 (C) carry out other activities determined
16 appropriate by the Secretary.

17 (4) BOND TRUSTEE.—

18 (A) IN GENERAL.—Notwithstanding any
19 other provision of law, any qualified tribal
20 school modernization bond issued by a tribe
21 under this subsection shall be subject to a trust
22 agreement between the tribe and a trustee.

23 (B) TRUSTEE.—Any bank or trust com-
24 pany that meets requirements established by

1 the Secretary may be designated as a trustee
2 under subparagraph (A).

3 (C) CONTENT OF TRUST AGREEMENT.—A
4 trust agreement entered into by a tribe under
5 this paragraph shall specify that the trustee,
6 with respect to any bond issued under this sub-
7 section shall—

8 (i) act as a repository for the proceeds
9 of the bond;

10 (ii) make payments to bondholders;

11 (iii) receive, as a condition to the
12 issuance of such bond, a transfer of funds
13 from the tribal school modernization es-
14 crow account established under paragraph
15 (6)(B) or from other funds furnished by or
16 on behalf of the tribe in an amount, which
17 together with interest earnings from the
18 investment of such funds in obligations of
19 or fully guaranteed by the United States or
20 from other investments authorized by para-
21 graph (10), will produce moneys sufficient
22 to timely pay in full the entire principal
23 amount of such bond on the stated matu-
24 rity date therefore;

1 (iv) invest the funds received pursuant
 2 to clause (iii) as provided by such clause;
 3 and

4 (v) hold and invest the funds in a seg-
 5 regated fund or account under the agree-
 6 ment, which fund or account shall be ap-
 7 plied solely to the payment of the costs of
 8 items described in paragraph (3).

9 (D) REQUIREMENTS FOR MAKING DIRECT
 10 PAYMENTS.—

11 (i) IN GENERAL.—Notwithstanding
 12 any other provision of law, the trustee
 13 shall make any payment referred to in sub-
 14 paragraph (C)(v) in accordance with re-
 15 quirements that the tribe shall prescribe in
 16 the trust agreement entered into under
 17 subparagraph (C). Before making a pay-
 18 ment to a contractor under subparagraph
 19 (C)(v), the trustee shall require an inspec-
 20 tion of the project by a local financial in-
 21 stitution or an independent inspecting ar-
 22 chitect or engineer, to ensure the comple-
 23 tion of the project.

24 (ii) CONTRACTS.—Each contract re-
 25 ferred to in paragraph (3) shall specify, or

1 be renegotiated to specify, that payments
2 under the contract shall be made in ac-
3 cordance with this paragraph.

4 (5) PAYMENTS OF PRINCIPAL AND INTEREST.—

5 (A) PRINCIPAL.—No principal payments
6 on any qualified tribal school modernization
7 bond shall be required until the final, stated
8 maturity of such bond, which stated maturity
9 shall be within 15 years from the date of
10 issuance. Upon the expiration of such period,
11 the entire outstanding principal under the bond
12 shall become due and payable.

13 (B) INTEREST.—In lieu of interest on a
14 qualified tribal school modernization bond there
15 shall be awarded a tax credit under section
16 1400F of the Internal Revenue Code of 1986.

17 (6) BOND GUARANTEES.—

18 (A) IN GENERAL.—Payment of the prin-
19 cipal portion of a qualified tribal school mod-
20 ernization bond issued under this subsection
21 shall be guaranteed solely by amounts deposited
22 with each respective bond trustee as described
23 in paragraph (4)(C)(iii).

24 (B) ESTABLISHMENT OF ACCOUNT.—

1 (i) IN GENERAL.—Notwithstanding
2 any other provision of law, beginning in
3 fiscal year 2002, from amounts made
4 available for school replacement under the
5 construction account of the Bureau, the
6 Secretary is authorized to deposit not more
7 than \$30,000,000 each fiscal year into a
8 tribal school modernization escrow account.

9 (ii) PAYMENTS.—The Secretary shall
10 use any amounts deposited in the escrow
11 account under clauses (i) and (iii) to make
12 payments to trustees appointed and acting
13 pursuant to paragraph (4) or to make pay-
14 ments described in paragraph (2)(D).

15 (iii) TRANSFERS OF EXCESS PRO-
16 CEEDS.—Excess proceeds held under any
17 trust agreement that are not needed for
18 any of the purposes described in clauses
19 (iii) and (v) of paragraph (4)(C) shall be
20 transferred, from time to time, by the
21 trustee for deposit into the tribal school
22 modernization escrow account.

23 (7) LIMITATIONS.—

24 (A) OBLIGATION TO REPAY.—Notwith-
25 standing any other provision of law, the prin-

1 ciproal amount on any qualified tribal school
2 modernization bond issued under this sub-
3 section shall be repaid only to the extent of any
4 escrowed funds furnished under paragraph
5 (4)(C)(iii). No qualified tribal school moderniza-
6 tion bond issued by a tribe shall be an obliga-
7 tion of, nor shall payment of the principal
8 thereof be guaranteed by, the United States.

9 (B) LAND AND FACILITIES.—Any land or
10 facilities purchased or improved with amounts
11 derived from qualified tribal school moderniza-
12 tion bonds issued under this subsection shall
13 not be mortgaged or used as collateral for such
14 bonds.

15 (8) SALE OF BONDS.—Qualified tribal school
16 modernization bonds may be sold at a purchase price
17 equal to, in excess of, or at a discount from the par
18 amount thereof.

19 (9) TREATMENT OF TRUST AGREEMENT EARN-
20 INGS.—Any amounts earned through the investment
21 of funds under the control of a trustee under any
22 trust agreement described in paragraph (4) shall not
23 be subject to Federal income tax.

24 (10) INVESTMENT OF SINKING FUNDS.—Any
25 sinking fund established for the purpose of the pay-

1 ment of principal on a qualified tribal school mod-
 2 ernization bond shall be invested in obligations
 3 issued by or guaranteed by the United States or in
 4 such other assets as the Secretary of the Treasury
 5 may by regulation allow.

6 (c) EXPANSION OF INCENTIVES FOR TRIBAL
 7 SCHOOLS.—Chapter 1 of the Internal Revenue Code of
 8 1986 (as amended by section 322) is further amended by
 9 adding at the end the following new subchapter:

10 **“Subchapter XI—Tribal School**
 11 **Modernization Provisions**

“Sec. 1400J. Credit to holders of qualified tribal school modernization bonds.

12 **“SEC. 1400J. CREDIT TO HOLDERS OF QUALIFIED TRIBAL**
 13 **SCHOOL MODERNIZATION BONDS.**

14 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
 15 payer who holds a qualified tribal school modernization
 16 bond on a credit allowance date of such bond which occurs
 17 during the taxable year, there shall be allowed as a credit
 18 against the tax imposed by this chapter for such taxable
 19 year an amount equal to the sum of the credits determined
 20 under subsection (b) with respect to credit allowance dates
 21 during such year on which the taxpayer holds such bond.

22 “(b) AMOUNT OF CREDIT.—

23 “(1) IN GENERAL.—The amount of the credit
 24 determined under this subsection with respect to any

1 credit allowance date for a qualified tribal school
2 modernization bond is 25 percent of the annual
3 credit determined with respect to such bond.

4 “(2) ANNUAL CREDIT.—The annual credit de-
5 termined with respect to any qualified tribal school
6 modernization bond is the product of—

7 “(A) the applicable credit rate, multiplied
8 by

9 “(B) the outstanding face amount of the
10 bond.

11 “(3) APPLICABLE CREDIT RATE.—For purposes
12 of paragraph (1), the applicable credit rate with re-
13 spect to an issue is the rate equal to an average
14 market yield (as of the date of sale of the issue) on
15 outstanding long-term corporate obligations (as de-
16 termined by the Secretary).

17 “(4) SPECIAL RULE FOR ISSUANCE AND RE-
18 DEMPTION.—In the case of a bond which is issued
19 during the 3-month period ending on a credit allow-
20 ance date, the amount of the credit determined
21 under this subsection with respect to such credit al-
22 lowance date shall be a ratable portion of the credit
23 otherwise determined based on the portion of the 3-
24 month period during which the bond is outstanding.

1 A similar rule shall apply when the bond is re-
2 deemed.

3 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

4 “(1) IN GENERAL.—The credit allowed under
5 subsection (a) for any taxable year shall not exceed
6 the excess of—

7 “(A) the sum of the regular tax liability
8 (as defined in section 26(b)) plus the tax im-
9 posed by section 55, over

10 “(B) the sum of the credits allowable
11 under part IV of subchapter A (other than sub-
12 part C thereof, relating to refundable credits).

13 “(2) CARRYOVER OF UNUSED CREDIT.—If the
14 credit allowable under subsection (a) exceeds the
15 limitation imposed by paragraph (1) for such taxable
16 year, such excess shall be carried to the succeeding
17 taxable year and added to the credit allowable under
18 subsection (a) for such taxable year.

19 “(d) QUALIFIED TRIBAL SCHOOL MODERNIZATION
20 BOND; OTHER DEFINITIONS.—For purposes of this
21 section—

22 “(1) QUALIFIED TRIBAL SCHOOL MODERNIZA-
23 TION BOND.—

24 “(A) IN GENERAL.—The term ‘qualified
25 tribal school modernization bond’ means, sub-

ject to subparagraph (B), any bond issued as part of an issue under section 2(c) of the Indian School Construction Act, as in effect on the date of the enactment of this section, if—

“(i) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a school facility funded by the Bureau of Indian Affairs of the Department of the Interior or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

“(ii) the bond is issued by a tribe,

“(iii) the issuer designates such bond for purposes of this section, and

“(iv) the term of each bond which is part of such issue does not exceed 15 years.

“(B) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

“(i) NATIONAL LIMITATION.—There is a national qualified tribal school modernization bond limitation for each calendar year. Such limitation is—

“(I) \$200,000,000 for 2002,

1 “(II) \$200,000,000 for 2003,

2 and

3 “(III) zero after 2003.

4 “(ii) ALLOCATION OF LIMITATION.—

5 The national qualified tribal school mod-
6 ernization bond limitation shall be allo-
7 cated to tribes by the Secretary of the In-
8 terior subject to the provisions of section 2
9 of the Indian School Construction Act, as
10 in effect on the date of the enactment of
11 this section.

12 “(iii) DESIGNATION SUBJECT TO LIM-
13 ITATION AMOUNT.—The maximum aggre-
14 gate face amount of bonds issued during
15 any calendar year which may be designated
16 under subsection (d)(1) with respect to any
17 tribe shall not exceed the limitation
18 amount allocated to such government
19 under clause (ii) for such calendar year.

20 “(iv) CARRYOVER OF UNUSED LIMITA-
21 TION.—If for any calendar year—

22 “(I) the limitation amount under
23 this subparagraph, exceeds

1 “(II) the amount of qualified
 2 tribal school modernization bonds
 3 issued during such year,
 4 the limitation amount under this subpara-
 5 graph for the following calendar year shall
 6 be increased by the amount of such excess.
 7 The preceding sentence shall not apply if
 8 such following calendar year is after 2010.

9 “(2) CREDIT ALLOWANCE DATE.—The term
 10 ‘credit allowance date’ means—

11 “(A) March 15,

12 “(B) June 15,

13 “(C) September 15, and

14 “(D) December 15.

15 Such term includes the last day on which the bond
 16 is outstanding.

17 “(3) BOND.—The term ‘bond’ includes any ob-
 18 ligation.

19 “(4) TRIBE.—The term “tribe” has the mean-
 20 ing given the term “Indian tribal government” by
 21 section 7701(a)(40), including the application of sec-
 22 tion 7871(d). Such term includes any consortium of
 23 tribes approved by the Secretary of the Interior.

24 “(e) CREDIT INCLUDED IN GROSS INCOME.—Gross
 25 income includes the amount of the credit allowed to the

1 taxpayer under this section (determined without regard to
 2 subsection (c)) and the amount so included shall be treat-
 3 ed as interest income.

4 “(f) BONDS HELD BY REGULATED INVESTMENT
 5 COMPANIES.—If any qualified tribal school modernization
 6 bond is held by a regulated investment company, the credit
 7 determined under subsection (a) shall be allowed to share-
 8 holders of such company under procedures prescribed by
 9 the Secretary.

10 “(g) CREDITS MAY BE STRIPPED.—Under regula-
 11 tions prescribed by the Secretary—

12 “(1) IN GENERAL.—There may be a separation
 13 (including at issuance) of the ownership of a quali-
 14 fied tribal school modernization bond and the entitle-
 15 ment to the credit under this section with respect to
 16 such bond. In case of any such separation, the credit
 17 under this section shall be allowed to the person who
 18 on the credit allowance date holds the instrument ev-
 19 idencing the entitlement to the credit and not to the
 20 holder of the bond.

21 “(2) CERTAIN RULES TO APPLY.—In the case
 22 of a separation described in paragraph (1), the rules
 23 of section 1286 shall apply to the qualified tribal
 24 school modernization bond as if it were a stripped

1 bond and to the credit under this section as if it
2 were a stripped coupon.

3 “(h) TREATMENT FOR ESTIMATED TAX PUR-
4 POSES.—Solely for purposes of sections 6654 and 6655,
5 the credit allowed by this section to a taxpayer by reason
6 of holding a qualified tribal school modernization bonds
7 on a credit allowance date shall be treated as if it were
8 a payment of estimated tax made by the taxpayer on such
9 date.

10 “(i) CREDIT MAY BE TRANSFERRED.—Nothing in
11 any law or rule of law shall be construed to limit the trans-
12 ferability of the credit allowed by this section through sale
13 and repurchase agreements.

14 “(j) CREDIT TREATED AS ALLOWED UNDER PART
15 IV OF SUBCHAPTER A.—For purposes of subtitle F, the
16 credit allowed by this section shall be treated as a credit
17 allowable under part IV of subchapter A of this chapter.

18 “(k) REPORTING.—Issuers of qualified tribal school
19 modernization bonds shall submit reports similar to the
20 reports required under section 149(e).”.

21 (d) ADDITIONAL PROVISIONS.—

22 (1) SOVEREIGN IMMUNITY.—This section and
23 the amendments made by this section shall not be
24 construed to impact, limit, or affect the sovereign

1 immunity of the Federal Government or any State
2 or tribal government.

3 (2) APPLICATION.—This section and the
4 amendments made by this section shall take effect
5 on the date of the enactment of this Act with respect
6 to bonds issued after December 31, 2001, regardless
7 of the status of regulations promulgated thereunder.

8 **CHAPTER 3—21ST CENTURY COMMUNITY**
9 **LEARNING CENTERS**

10 **SEC. 331. REAUTHORIZATION.**

11 Section 10907 (20 U.S.C. 8247) is amended by strik-
12 ing “\$20,000,000 for fiscal year 1995” and all that fol-
13 lows through the period and inserting “\$1,000,000,000
14 for each of fiscal years 2002 through 2006, to carry out
15 this part.”.

16 **CHAPTER 4—ENHANCEMENT OF BASIC**
17 **LEARNING SKILLS**

18 **SEC. 341. REDUCING CLASS SIZE.**

19 Title X (20 U.S.C. 8001 et seq.), as amended by sec-
20 tion 311, is further amended by adding at the end the
21 following:

1 **“PART M—CLASS SIZE REDUCTION**

2 **“SEC. 10998. GRANTS FOR CLASS SIZE REDUCTION.**

3 “(a) IN GENERAL.—From the amount appropriated
4 for a fiscal year under subsection (i), the Secretary of
5 Education—

6 “(1) shall make available 1 percent of such
7 amount to the Secretary of the Interior (on behalf
8 of the Bureau of Indian Affairs) and the outlying
9 areas for activities under this section; and

10 “(2) shall allocate the remainder by providing
11 each State the same percentage of that remainder as
12 it received of the funds allocated to States under
13 section 307(a)(2) of the Department of Education
14 Appropriations Act, 1999.

15 “(b) ALLOCATION OF FUNDS.—

16 “(1) IN GENERAL.—Each State that receives
17 funds under this section shall distribute 100 percent
18 of such funds to local educational agencies, of
19 which—

20 “(A) 80 percent of such amount shall be
21 allocated to such local educational agencies in
22 proportion to the number of children, aged 5 to
23 17, who reside in the school district served by
24 such local educational agency from families with
25 incomes below the poverty line (as defined by
26 the Office of Management and Budget and re-

1 vised annually in accordance with section
2 673(2) of the Community Services Block Grant
3 Act (42 U.S.C. 9902(2))) applicable to a family
4 of the size involved for the most recent fiscal
5 year for which satisfactory data are available
6 compared to the number of such individuals
7 who reside in the school districts served by all
8 the local educational agencies in the State for
9 that fiscal year; and

10 “(B) 20 percent of such amount shall be
11 allocated to such local educational agencies in
12 accordance with the relative enrollments of chil-
13 dren, aged 5 to 17, in public and private non-
14 profit elementary and secondary schools within
15 the boundaries of such agencies.

16 “(2) EXCEPTION.—Notwithstanding paragraph
17 (1), if the award to a local educational agency under
18 this section is less than the starting salary for a new
19 fully qualified teacher in that agency, who is cer-
20 tified within the State (which may include certifi-
21 cation through State or local alternative routes), has
22 a baccalaureate degree, and demonstrates the gen-
23 eral knowledge, teaching skills, and subject matter
24 knowledge required to teach in his or her content

1 areas, that agency may use funds under this section
2 to—

3 “(A) help pay the salary of a full- or part-
4 time teacher hired to reduce class size, which
5 may be in combination with other Federal,
6 State, or local funds; or

7 “(B) pay for activities described in sub-
8 section (c)(2)(A)(iii) which may be related to
9 teaching in smaller classes.

10 “(c) USE OF FUNDS.—

11 “(1) PURPOSE, INTENT, AND GENERAL USE.—

12 The basic purpose and intent of this section is to re-
13 duce class size with fully qualified teachers. Each
14 local educational agency that receives funds under
15 this section shall use such funds to carry out effec-
16 tive approaches to reducing class size with fully
17 qualified teachers who are certified within the State,
18 including teachers certified through State or local al-
19 ternative routes, and who demonstrate competency
20 in the areas in which they teach, to improve edu-
21 cational achievement for both regular and special
22 needs children, with particular consideration given to
23 reducing class size in the early elementary grades
24 for which some research has shown class size reduc-
25 tion is most effective.

1 “(2) SPECIFIC USES.—

2 “(A) IN GENERAL.—Each such local edu-
3 cational agency may use funds under this sec-
4 tion for—

5 “(i) recruiting (including through the
6 use of signing bonuses, and other financial
7 incentives), hiring, and training fully quali-
8 fied regular and special education teachers
9 (which may include hiring special edu-
10 cation teachers to team-teach with regular
11 teachers in classrooms that contain both
12 children with disabilities and non-disabled
13 children) and teachers of special-needs
14 children who are certified within the State,
15 including teachers certified through State
16 or local alternative routes, have a bacca-
17 laureate degree and demonstrate the gen-
18 eral knowledge, teaching skills, and subject
19 matter knowledge required to teach in
20 their content areas;

21 “(ii) testing new teachers for aca-
22 demic content knowledge and to meet
23 State certification requirements that are
24 consistent with title II of the Higher Edu-
25 cation Act of 1965; and

1 “(iii) providing professional develop-
2 ment (which may include such activities as
3 those described in section 2210, opportuni-
4 ties for teachers to attend multi-week insti-
5 tutes, such as those made available during
6 the summer months that provide intensive
7 professional development in partnership
8 with local educational agencies and initia-
9 tives that promote retention and men-
10 toring), to teachers, including special edu-
11 cation teachers and teachers of special-
12 needs children, in order to meet the goal of
13 ensuring that all instructional staff have
14 the subject matter knowledge, teaching
15 knowledge, and teaching skills necessary to
16 teach effectively in the content area or
17 areas in which they provide instruction,
18 consistent with title II of the Higher Edu-
19 cation Act of 1965.

20 “(B) LIMITATION.—

21 “(i) IN GENERAL.—Except as pro-
22 vided under clause (ii), a local educational
23 agency may use not more than a total of
24 25 percent of the award received under

1 this section for activities described in
2 clauses (ii) and (iii) of subparagraph (A).

3 “(ii) EXCEPTION.—A local edu-
4 cational agency in which 10 percent or
5 more of teachers in elementary schools, as
6 defined by section 14101(14), have not
7 met applicable State and local certification
8 requirements (including certification
9 through State or local alternative routes),
10 or if such requirements have been waived,
11 may use more than 25 percent of the funds
12 it receives under this section for activities
13 described in subparagraph (A)(iii) to help
14 teachers who are not certified by the State
15 become certified, including through State
16 or local alternative routes, or to help teach-
17 ers affected by class size reduction who
18 lack sufficient content knowledge to teach
19 effectively in the areas they teach to obtain
20 that knowledge, if the local educational
21 agency notifies the State educational agen-
22 cy of the percentage of the funds that it
23 will use for the purpose described in this
24 clause.

1 “(C) USE FOR FURTHER REDUCTIONS.—A
2 local educational agency that has already re-
3 duced class size in the early grades to 18 or
4 less children (or has already reduced class size
5 to a State or local class size reduction goal that
6 was in effect on the day before the enactment
7 of the Department of Education Appropriations
8 Act, 2000, if that State or local educational
9 agency goal is 20 or fewer children) may use
10 funds received under this section—

11 “(i) to make further class size reduc-
12 tions in grades kindergarten through 3;

13 “(ii) to reduce class size in other
14 grades; or

15 “(iii) to carry out activities to improve
16 teacher quality including professional de-
17 velopment.

18 “(D) PROFESSIONAL DEVELOPMENT.—If a
19 local educational agency has already reduced
20 class size in the early grades to 18 or fewer
21 children and intends to use funds provided
22 under this section to carry out professional de-
23 velopment activities, including activities to im-
24 prove teacher quality, then the State shall make

1 the award under subsection (b) to the local edu-
2 cational agency.

3 “(3) SUPPLEMENT NOT SUPPLANT.—Each such
4 agency shall use funds under this section only to
5 supplement, and not to supplant, State and local
6 funds that, in the absence of such funds, would oth-
7 erwise be spent for activities under this section.

8 “(4) LIMITATION.—No funds made available
9 under this section may be used to increase the sala-
10 ries or provide benefits, other than participation in
11 professional development and enrichment programs,
12 to teachers who are not hired under this section.
13 Funds under this section may be used to pay the
14 salary of teachers hired under section 307 of the De-
15 partment of Education Appropriations Act, 1999, or
16 under section 310 of the Department of Education
17 Appropriations Act, 2000.

18 “(d) REPORTING.—

19 “(1) IN GENERAL.—Each State receiving funds
20 under this section shall report on activities in the
21 State under this section, consistent with section
22 6202(a)(2).

23 “(2) REPORTING TO PARENTS.—Each State
24 and local educational agency receiving funds under
25 this section shall publicly report to parents on its

1 progress in reducing class size, increasing the per-
2 centage of classes in core academic areas taught by
3 fully qualified teachers who are certified within the
4 State and demonstrate competency in the content
5 areas in which they teach, and on the impact that
6 hiring additional highly qualified teachers and reduc-
7 ing class size, has had, if any, on increasing student
8 academic achievement.

9 “(3) PROVISION OF QUALIFICATION TO PAR-
10 ENTS.—Each school receiving funds under this sec-
11 tion shall provide to parents, upon request, the pro-
12 fessional qualifications of their child’s teacher.

13 “(e) PROFESSIONAL DEVELOPMENT.—If a local edu-
14 cational agency uses funds made available under this sec-
15 tion for professional development activities, the agency
16 shall ensure for the equitable participation of private non-
17 profit elementary and secondary schools in such activities.
18 Section 6402 shall not apply to other activities under this
19 section.

20 “(f) LIMITATION ON ADMINISTRATIVE COSTS.—A
21 local educational agency that receives funds under this
22 section may use not more than 3 percent of such funds
23 for local administrative costs.

24 “(g) APPLICATION.—Each local educational agency
25 that desires to receive funds under this section shall in-

1 clude in the application required under section 6303 a de-
 2 scription of the agency's program to reduce class size by
 3 hiring additional highly qualified teachers.

4 “(h) NO USE OF FUNDS FOR PAYMENTS TO CERTAIN
 5 TEACHERS.—No funds under this section may be used to
 6 pay the salary of any teacher hired with funds under sec-
 7 tion 307 of the Department of Education Appropriations
 8 Act, 1999, unless, by the start of the 2001–2002 school
 9 year, the teacher is certified within the State (which may
 10 include certification through State or local alternative
 11 routes) and demonstrates competency in the subject areas
 12 in which he or she teaches.

13 “(i) NOTIFICATION.—Not later than 30 days after
 14 the date of the enactment of this section, the Secretary
 15 shall provide specific notification to each local educational
 16 agency eligible to receive funds under this part regarding
 17 the flexibility provided under subsection (c)(2)(B)(ii) and
 18 the ability to use such funds to carry out activities de-
 19 scribed in subsection (c)(2)(A)(iii).

20 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
 21 is authorized to be appropriated to carry out this section—

22 “(1) \$2,317,507,723 for fiscal year 2002;

23 “(2) \$3,012,015,447 for fiscal year 2003;

24 “(3) \$3,706,523,170 for fiscal year 2004; and

25 “(4) \$4,401,030,983 for fiscal year 2005.”.

1 **SEC. 342. READING EXCELLENCE.**

2 Part C of title II (20 U.S.C. 6661 et seq.) is
3 amended—

4 (1) by inserting after the part heading the fol-
5 lowing:

6 **“SEC. 2250. SHORT TITLE.**

7 “This part may be cited as the ‘Reading Excellence
8 Act’.”;

9 (2) in section 2253(a) (20 U.S.C. 6661b(a)) by
10 adding at the end the following:

11 “(3) AMOUNT OF GRANTS.—From the amount
12 appropriated for each fiscal year under section
13 2260(a), the Secretary shall award to each State
14 educational agency a grant under this part in an
15 amount that is in proportion to the amount the
16 State received under part A of title I for the pre-
17 vious fiscal year.”;

18 (3) in section 2255 (20 U.S.C. 6661d) by add-
19 ing at the end the following:

20 “(f) OTHER USES.—With respect to a State edu-
21 cational agency that has used amounts received under a
22 grant under section 2253 in a previous fiscal year to suffi-
23 ciently serve schools described in subsection (a)(1), such
24 State agency may use amounts received under such a
25 grant in succeeding fiscal years to provide subgrants to

1 local educational agencies to assist other schools that may
 2 receive assistance under title I.”; and

3 (4) in section 2260(a) (20 U.S.C. 6661i(a)) by
 4 adding at the end the following:

5 “(3) OTHER FISCAL YEARS.—There are author-
 6 ized to be appropriated to carry out this part and
 7 section 1202(c)—

8 “(A) \$500,000,000 for fiscal year 2002;

9 “(B) \$600,000,000 for fiscal year 2003;

10 “(C) \$700,000,000 for fiscal year 2004;

11 “(D) \$850,000,000 for fiscal year 2005;

12 and

13 “(E) \$1,000,000,000 for fiscal year
 14 2006.”.

15 **SEC. 343. TUTORIAL ASSISTANCE GRANTS.**

16 (a) IN GENERAL.—Section 2256 (20 U.S.C. 6661e)
 17 is repealed.

18 (b) CONFORMING AMENDMENTS.—Part C of title II
 19 (20 U.S.C. 6661 et seq.) is amended—

20 (1) in section 2253 (20 U.S.C. 6661b)—

21 (A) in subsection (a)(1), by striking “sec-
 22 tions 2254 through 2256” and inserting “sec-
 23 tions 2254 and 2255”; and

24 (B) in subsection (b)(2)—

1 (i) in subparagraph (A)(ii), by strik-
 2 ing “sections 2255 and 2256” and insert-
 3 ing “section 2255”;

4 (ii) in subparagraph (B)—

5 (I) in clause (ii), by striking
 6 “section 2255 and 2256” and insert-
 7 ing “section 2255”; and

8 (II) in clause (vi), , by striking
 9 “sections 2255 and 2256” and insert-
 10 ing “section 2255”; and

11 (iii) in subparagraph (E)(iii)—

12 (I) by striking “sections
 13 2255(a)(1) and 2256(a)(1)” and in-
 14 serting “section 2255(a)(1)”; and

15 (II) by striking “sections 2255
 16 and 2256” and inserting “section
 17 2255”;

18 (2) in section 2254 (20 U.S.C. 6661c)—

19 (A) in paragraph (1)—

20 (i) by striking “(excluding section
 21 2256)”; and

22 (ii) by striking “; and” and inserting
 23 a period;

1 (B) by striking “2253—” and all that fol-
 2 lows through “shall use” in paragraph (1) and
 3 inserting “2253 shall use”; and

4 (C) by striking in paragraph (2); and
 5 (3) in section 2258(a) (20 U.S.C. 6661h(a)), by
 6 striking “or 2256”.

7 **CHAPTER 5—INTEGRATION OF TECHNOLOGY**
 8 **INTO THE CLASSROOM**

9 **SEC. 351. SHORT TITLE.**

10 This chapter may be cited as the “Training for Tech-
 11 nology Act of 2001”.

12 **SEC. 352. LOCAL APPLICATIONS FOR SCHOOL TECH-**
 13 **NOLOGY RESOURCE GRANTS.**

14 Section 3135 (20 U.S.C. 6845) is amended—

15 (1) in the first sentence, by inserting “(a) IN
 16 GENERAL.—” before “Each local educational agen-
 17 cy”;

18 (2) in subsection (a) (as so redesignated)—

19 (A) in paragraph (3)(B), by striking “;
 20 and” and inserting a semicolon;

21 (B) in paragraph (4), by striking the pe-
 22 riod and inserting “; and”; and

23 (C) by inserting after paragraph (4) the
 24 following:

1 “(5) demonstrate the manner in which the local
 2 educational agency will utilize at least 30 percent of
 3 the amounts provided to the agency under this sub-
 4 part in each fiscal year to provide for in-service
 5 teacher training, or that the agency is using at least
 6 30 percent of its total technology funding available
 7 to the agency from all sources (including Federal,
 8 State, and local sources) to provide in-service teach-
 9 er training.”;

10 (3) by redesignating subsections (d) and (e) as
 11 subsections (b) and (c) respectively; and

12 (4) in subsection (c) (as so redesignated), by
 13 striking “subsection (e)” and inserting “subsection
 14 (a)”.

15 **SEC. 353. TEACHER PREPARATION.**

16 Part A of title III (20 U.S.C. 6811 et seq.) is amend-
 17 ed by adding at the end the following:

18 **“Subpart 5—Preparing Tomorrow’s Teachers To Use**
 19 **Technology**

20 **“SEC. 3161. PURPOSE; PROGRAM AUTHORITY.**

21 “(a) PURPOSE.—It is the purpose of this subpart to
 22 assist consortia of public and private entities in carrying
 23 out programs that prepare prospective teachers to use ad-
 24 vanced technology to foster learning environments condu-
 25 cive to preparing all students to achieve to challenging

1 State and local content and student performance stand-
2 ards.

3 “(b) PROGRAM AUTHORITY.—

4 “(1) IN GENERAL.—The Secretary is author-
5 ized, through the Office of Educational Technology,
6 to award grants, contracts, or cooperative agree-
7 ments on a competitive basis to eligible applicants in
8 order to assist them in developing or redesigning
9 teacher preparation programs to enable prospective
10 teachers to use technology effectively in their class-
11 rooms.

12 “(2) PERIOD OF AWARD.—The Secretary may
13 award grants, contracts, or cooperative agreements
14 under this subpart for a period of not more than 5
15 years.

16 **“SEC. 3162. ELIGIBILITY.**

17 “(a) ELIGIBLE APPLICANTS.—In order to receive an
18 award under this subpart, an applicant shall be a consor-
19 tium that includes—

20 “(1) at least 1 institution of higher education
21 that offers a baccalaureate degree and prepares
22 teachers for their initial entry into teaching;

23 “(2) at least 1 State educational agency or local
24 educational agency; and

25 “(3) 1 or more of the following entities:

1 “(A) an institution of higher education
 2 (other than the institution described in para-
 3 graph (1));

4 “(B) a school or department of education
 5 at an institution of higher education;

6 “(C) a school or college of arts and
 7 sciences at an institution of higher education;

8 “(D) a professional association, founda-
 9 tion, museum, library, for-profit business, pub-
 10 lic or private nonprofit organization, commu-
 11 nity-based organization, or other entity with the
 12 capacity to contribute to the technology-related
 13 reform of teacher preparation programs.

14 “(b) APPLICATION REQUIREMENTS.—In order to re-
 15 ceive an award under this subpart, an eligible applicant
 16 shall submit an application to the Secretary at such time,
 17 and containing such information, as the Secretary may re-
 18 quire. Such application shall include—

19 “(1) a description of the proposed project, in-
 20 cluding how the project would ensure that individ-
 21 uals participating in the project would be prepared
 22 to use technology to create learning environments
 23 conducive to preparing all students, including girls
 24 and students who have economic and educational

1 disadvantages, to achieve to challenging State and
2 local content and student performance standards;

3 “(2) a demonstration of—

4 “(A) the commitment, including the finan-
5 cial commitment, of each of the members of the
6 consortium; and

7 “(B) the active support of the leadership of
8 each member of the consortium for the pro-
9 posed project;

10 “(3) a description of how each member of the
11 consortium would be included in project activities;

12 “(4) a description of how the proposed project
13 would be continued once the Federal funds awarded
14 under this subpart end; and

15 “(5) a plan for the evaluation of the program,
16 which shall include benchmarks to monitor progress
17 toward specific project objectives.

18 “(c) MATCHING REQUIREMENTS.—

19 “(1) IN GENERAL.—The Federal share of the
20 cost of any project funded under this subpart shall
21 not exceed 50 percent. Except as provided in para-
22 graph (2), the non-Federal share of such project
23 may be in cash or in kind, fairly evaluated, including
24 services.

1 “(2) ACQUISITION OF EQUIPMENT.—Not more
2 than 10 percent of the funds awarded for a project
3 under this subpart may be used to acquire equip-
4 ment, networking capabilities, or infrastructure, and
5 the non-Federal share of the cost of any such acqui-
6 sition shall be in cash.

7 **“SEC. 3163. USE OF FUNDS.**

8 “(a) REQUIRED USES.—A recipient shall use funds
9 under this subpart for—

10 “(1) creating programs that enable prospective
11 teachers to use advanced technology to create learn-
12 ing environments conducive to preparing all stu-
13 dents, including girls and students who have eco-
14 nomic and educational disadvantages, to achieve to
15 challenging State and local content and student per-
16 formance standards; and

17 “(2) evaluating the effectiveness of the project.

18 “(b) PERMISSIBLE USES.—A recipient may use funds
19 under this subpart for activities, described in its applica-
20 tion, that carry out the purposes of this subpart, such
21 as—

22 “(1) developing and implementing high-quality
23 teacher preparation programs that enable educators
24 to—

1 “(A) learn the full range of resources that
2 can be accessed through the use of technology;

3 “(B) integrate a variety of technologies
4 into the classroom in order to expand students’
5 knowledge;

6 “(C) evaluate educational technologies and
7 their potential for use in instruction; and

8 “(D) help students develop their own tech-
9 nical skills and digital learning environments;

10 “(2) developing alternative teacher development
11 paths that provide elementary schools and secondary
12 schools with well-prepared, technology-proficient
13 educators;

14 “(3) developing performance-based standards
15 and aligned assessments to measure the capacity of
16 prospective teachers to use technology effectively in
17 their classrooms;

18 “(4) providing technical assistance to other
19 teacher preparation programs;

20 “(5) developing and disseminating resources
21 and information in order to assist institutions of
22 higher education to prepare teachers to use tech-
23 nology effectively in their classrooms; and

1 “(6) subject to section 3162(c)(2), acquiring
2 equipment, networking capabilities, and infrastruc-
3 ture to carry out the project.

4 **“SEC. 3164. AUTHORIZATION OF APPROPRIATIONS.**

5 “For purposes of carrying out this subpart, there is
6 authorized to be appropriated \$150,000,000 for fiscal year
7 2002, and such sums as may be necessary for each of the
8 4 succeeding fiscal years.”.

9 **SEC. 354. PROFESSIONAL DEVELOPMENT.**

10 Section 3141(b)(2)(A) (20 U.S.C. 6861(b)(2)(A)) is
11 amended—

12 (1) in clause (i), by striking “and” at the end;

13 (2) in clause (ii)(V), by adding “and” after the
14 semicolon; and

15 (3) by adding at the end the following:

16 “(iii) the provision of incentives, in-
17 cluding bonus payments, to recognized
18 educators who achieve the National Edu-
19 cation Technology Standards, or an infor-
20 mation technology certification that is di-
21 rectly related to the curriculum or content
22 area in which the teacher provides instruc-
23 tion;”.

1 **TITLE IV—INDIVIDUALS WITH**
2 **DISABILITIES EDUCATION ACT**

3 **SEC. 401. FULL FUNDING OF IDEA.**

4 (a) FULL FUNDING.—In additional to any amounts
5 otherwise appropriated, there are appropriated to carry
6 out part B of the Individuals with Disabilities Education
7 Act (20 U.S.C. 1411 et seq.), \$2,000,000,000 for fiscal
8 year 2002.

9 (b) SENSE OF THE SENATE.—

10 (1) FINDINGS.—The Senate makes the fol-
11 lowing findings:

12 (A) Before the Individuals with Disabilities
13 Education Act (20 U.S.C. 1400 et seq.) (re-
14 ferred to in this subsection as “IDEA”) was en-
15 acted in 1975, as many as 4,000,000 children
16 were denied appropriate educational services.
17 Few disabled preschoolers received services.
18 1,000,000 children with disabilities were ex-
19 cluded from public school. Courts ruled this
20 practice was unconstitutional.

21 (B) States asked the Federal Government
22 to help them fund educational services to dis-
23 abled children. Congress responded by enacting
24 IDEA to ensure that disabled children received
25 appropriate services and to provide financial

1 support to the States for providing these serv-
2 ices.

3 (C) Since the enactment of IDEA, schools
4 have been serving disabled children, helping
5 them develop their skills and abilities and go on
6 to lead productive and independent lives.
7 Today, IDEA serves 5,400,000 children with
8 disabilities from birth through age 21. Every
9 State offers public education and early interven-
10 tion services for children with disabilities.
11 Fewer than 6,000 disabled children now live in
12 institutional settings away from their families,
13 compared to 95,000 such children in 1969. The
14 number of disabled students completing high
15 school with a diploma or certificate has in-
16 creased by 10 percent in the last decade. The
17 number of students with disabilities entering
18 higher education has more than tripled since
19 the implementation of IDEA.

20 (D) When IDEA was enacted, the legisla-
21 tion included a goal to provide 40 percent of
22 the cost of providing services for these students.

23 (E) The cost of providing special education
24 has increased significantly for school districts
25 across the country. The Federal Government

1 currently provides about 15 percent of the na-
 2 tional average per pupil expenditure for IDEA
 3 students.

4 (F) IDEA will be up for reauthorization
 5 for fiscal year 2003.

6 (2) SENSE OF THE SENATE.—It is the sense of
 7 the Senate that—

8 (A) when Congress reauthorizes the IDEA
 9 program, it should ensure that the Federal Gov-
 10 ernment will reach the goal of providing 40 per-
 11 cent of the national average per pupil expendi-
 12 ture under IDEA; and

13 (B) disabled children will benefit from ef-
 14 forts to help schools hire and train high quality
 15 teachers and principals, reduce class size, ren-
 16 ovate overcrowded and crumbling buildings, in-
 17 tegrate technology into the classroom, strength-
 18 en early literacy programs, and increase the
 19 availability of after-school learning opportuni-
 20 ties.

21 **TITLE V—MAKING HIGHER**
 22 **EDUCATION MORE AFFORDABLE**

23 **SEC. 501. INCREASE IN MAXIMUM PELL GRANT.**

24 (a) FINDINGS.—Congress makes the following find-
 25 ings:

1 (1) A college education has become increasingly
2 important, not just to the individual beneficiary, but
3 to the nation as a whole. The growth and continued
4 expansion of the nation's economy is heavily depend-
5 ent on an educated and highly skilled workforce.

6 (2) The opportunity to gain a college education
7 also is important to the nation as a means to help
8 advance the American ideals of progress and equal-
9 ity.

10 (3) The Federal Government plays an inval-
11 uable role in making student financial aid available to
12 ensure that qualified students are able to attend col-
13 lege, regardless of their financial means. Since the
14 inception of the Pell Grant program in 1973, nearly
15 80,000,000 grants have helped low- and middle-in-
16 come students go to college, enrich their lives, and
17 become productive members of society.

18 (4) Nationwide, almost 70 percent of high
19 school graduates continue on to higher education.
20 This degree of college participation would not exist
21 without the Federal investment in student aid, espe-
22 cially the Pell Grant program. Nearly 25 percent of
23 low- and middle-income students receive some
24 amount of Pell Grant funding.

1 (5) In the next 10 years, the number of under-
2 graduate students enrolled in the nation's colleges
3 and universities will increase by 11 percent to more
4 than 11,000,000 students. Many of these students
5 will be the first in their families to attend college.
6 One in 5 of these students will be from families with
7 incomes below the poverty level. The continued in-
8 vestment in the Pell Grant program is essential if
9 college is to remain an achievable part of the Amer-
10 ican dream.

11 (6) Increasing the maximum Pell Grant to
12 \$4,700 would allow approximately 430,000 addi-
13 tional students to benefit from the program.

14 (7) Increasing the maximum Pell Grant to
15 \$4,700 would result in an \$800 increase in the aver-
16 age grant award.

17 (8) Because Pell Grant recipients are more like-
18 ly to graduate with student loan debt and to amass
19 more debt than other student borrowers, increasing
20 the maximum Pell Grant to \$4,700 by fiscal year
21 2004 will help remedy this disparity.

22 (b) SENSE OF THE SENATE.—It is the sense of the
23 Senate the maximum Pell Grant should be increased to
24 \$4,700.

1 **SEC. 502. DEDUCTION FOR HIGHER EDUCATION EXPENSES.**

2 (a) DEDUCTION ALLOWED.—Part VII of subchapter
3 B of chapter 1 of the Internal Revenue Code of 1986 (re-
4 lating to additional itemized deductions for individuals) is
5 amended by redesignating section 222 as section 223 and
6 by inserting after section 221 the following:

7 **“SEC. 222. HIGHER EDUCATION EXPENSES.**

8 “(a) ALLOWANCE OF DEDUCTION.—

9 “(1) IN GENERAL.—In the case of an indi-
10 vidual, there shall be allowed as a deduction an
11 amount equal to the applicable dollar amount of the
12 qualified higher education expenses paid by the tax-
13 payer during the taxable year.

14 “(2) APPLICABLE DOLLAR AMOUNT.—The ap-
15 plicable dollar amount for any taxable year shall be
16 determined as follows:

“Taxable year:	Applicable dollar amount:
2002	\$4,000
2003	\$8,000
2004 and thereafter	\$12,000.

17 “(b) LIMITATION BASED ON MODIFIED ADJUSTED
18 GROSS INCOME.—

19 “(1) IN GENERAL.—The amount which would
20 (but for this subsection) be taken into account under
21 subsection (a) shall be reduced (but not below zero)
22 by the amount determined under paragraph (2).

1 “(2) AMOUNT OF REDUCTION.—The amount
 2 determined under this paragraph equals the amount
 3 which bears the same ratio to the amount which
 4 would be so taken into account as—

5 “(A) the excess of—

6 “(i) the taxpayer’s modified adjusted
 7 gross income for such taxable year, over

8 “(ii) \$62,450 (\$104,050 in the case of
 9 a joint return, \$89,150 in the case of a re-
 10 turn filed by a head of household, and
 11 \$52,025 in the case of a return by a mar-
 12 ried individual filing separately), bears to

13 “(B) \$15,000.

14 “(3) MODIFIED ADJUSTED GROSS INCOME.—
 15 For purposes of this subsection, the term ‘modified
 16 adjusted gross income’ means the adjusted gross in-
 17 come of the taxpayer for the taxable year
 18 determined—

19 “(A) without regard to this section and
 20 sections 911, 931, and 933, and

21 “(B) after the application of sections 86,
 22 135, 219, 220, and 469.

23 For purposes of the sections referred to in subpara-
 24 graph (B), adjusted gross income shall be deter-

1 mined without regard to the deduction allowed under
2 this section.

3 “(c) QUALIFIED HIGHER EDUCATION EXPENSES.—

4 For purposes of this section—

5 “(1) QUALIFIED HIGHER EDUCATION EX-
6 PENSES.—

7 “(A) IN GENERAL.—The term ‘qualified
8 higher education expenses’ means tuition and
9 fees charged by an educational institution and
10 required for the enrollment or attendance of—

11 “(i) the taxpayer,

12 “(ii) the taxpayer’s spouse,

13 “(iii) any dependent of the taxpayer
14 with respect to whom the taxpayer is al-
15 lowed a deduction under section 151, or

16 “(iv) any grandchild of the taxpayer,
17 as an eligible student at an institution of higher
18 education.

19 “(B) ELIGIBLE COURSES.—Amounts paid
20 for qualified higher education expenses of any
21 individual shall be taken into account under
22 subsection (a) only to the extent such
23 expenses—

24 “(i) are attributable to courses of in-
25 struction for which credit is allowed toward

1 a baccalaureate degree by an institution of
2 higher education or toward a certificate of
3 required course work at a vocational
4 school, and

5 “(ii) are not attributable to any grad-
6 uate program of such individual.

7 “(C) EXCEPTION FOR NONACADEMIC
8 FEES.—Such term does not include any student
9 activity fees, athletic fees, insurance expenses,
10 or other expenses unrelated to a student’s aca-
11 demic course of instruction.

12 “(D) ELIGIBLE STUDENT.—For purposes
13 of subparagraph (A), the term ‘eligible student’
14 means a student who—

15 “(i) meets the requirements of section
16 484(a)(1) of the Higher Education Act of
17 1965 (20 U.S.C. 1091(a)(1)), as in effect
18 on the date of the enactment of this sec-
19 tion, and

20 “(ii) is carrying at least one-half the
21 normal full-time work load for the course
22 of study the student is pursuing, as deter-
23 mined by the institution of higher edu-
24 cation.

1 “(E) IDENTIFICATION REQUIREMENT.—No
2 deduction shall be allowed under subsection (a)
3 to a taxpayer with respect to an eligible student
4 unless the taxpayer includes the name, age, and
5 taxpayer identification number of such eligible
6 student on the return of tax for the taxable
7 year.

8 “(2) INSTITUTION OF HIGHER EDUCATION.—
9 The term ‘institution of higher education’ means an
10 institution which—

11 “(A) is described in section 481 of the
12 Higher Education Act of 1965 (20 U.S.C.
13 1088), as in effect on the date of the enactment
14 of this section, and

15 “(B) is eligible to participate in programs
16 under title IV of such Act.

17 “(d) SPECIAL RULES.—

18 “(1) NO DOUBLE BENEFIT.—

19 “(A) IN GENERAL.—No deduction shall be
20 allowed under subsection (a) for any expense
21 for which a deduction is allowable to the tax-
22 payer under any other provision of this chapter
23 unless the taxpayer irrevocably waives his right
24 to the deduction of such expense under such
25 other provision.

1 “(B) DENIAL OF DEDUCTION IF CREDIT
2 ELECTED.—No deduction shall be allowed
3 under subsection (a) for a taxable year with re-
4 spect to the qualified higher education expenses
5 of an individual if the taxpayer elects to have
6 section 25A apply with respect to such indi-
7 vidual for such year.

8 “(C) DEPENDENTS.—No deduction shall
9 be allowed under subsection (a) to any indi-
10 vidual with respect to whom a deduction under
11 section 151 is allowable to another taxpayer for
12 a taxable year beginning in the calendar year in
13 which such individual’s taxable year begins.

14 “(D) COORDINATION WITH EXCLUSIONS.—
15 A deduction shall be allowed under subsection
16 (a) for qualified higher education expenses only
17 to the extent the amount of such expenses ex-
18 ceeds the amount excludable under section 135
19 or 530(d)(2) for the taxable year.

20 “(2) LIMITATION ON TAXABLE YEAR OF DE-
21 Duction.—

22 “(A) IN GENERAL.—A deduction shall be
23 allowed under subsection (a) for qualified high-
24 er education expenses for any taxable year only
25 to the extent such expenses are in connection

1 with enrollment at an institution of higher edu-
2 cation during the taxable year.

3 “(B) CERTAIN PREPAYMENTS ALLOWED.—
4 Subparagraph (A) shall not apply to qualified
5 higher education expenses paid during a taxable
6 year if such expenses are in connection with an
7 academic term beginning during such taxable
8 year or during the first 3 months of the next
9 taxable year.

10 “(3) ADJUSTMENT FOR CERTAIN SCHOLAR-
11 SHIPS AND VETERANS BENEFITS.—The amount of
12 qualified higher education expenses otherwise taken
13 into account under subsection (a) with respect to the
14 education of an individual shall be reduced (before
15 the application of subsection (b)) by the sum of the
16 amounts received with respect to such individual for
17 the taxable year as—

18 “(A) a qualified scholarship which under
19 section 117 is not includable in gross income,

20 “(B) an educational assistance allowance
21 under chapter 30, 31, 32, 34, or 35 of title 38,
22 United States Code, or

23 “(C) a payment (other than a gift, be-
24 quest, devise, or inheritance within the meaning
25 of section 102(a)) for educational expenses, or

1 attributable to enrollment at an eligible edu-
2 cational institution, which is exempt from in-
3 come taxation by any law of the United States.

4 “(4) NO DEDUCTION FOR MARRIED INDIVID-
5 UALS FILING SEPARATE RETURNS.—If the taxpayer
6 is a married individual (within the meaning of sec-
7 tion 7703), this section shall apply only if the tax-
8 payer and the taxpayer’s spouse file a joint return
9 for the taxable year.

10 “(5) NONRESIDENT ALIENS.—If the taxpayer is
11 a nonresident alien individual for any portion of the
12 taxable year, this section shall apply only if such in-
13 dividual is treated as a resident alien of the United
14 States for purposes of this chapter by reason of an
15 election under subsection (g) or (h) of section 6013.

16 “(6) REGULATIONS.—The Secretary may pre-
17 scribe such regulations as may be necessary or ap-
18 propriate to carry out this section, including regula-
19 tions requiring recordkeeping and information re-
20 porting.”.

21 (b) DEDUCTION ALLOWED IN COMPUTING AD-
22 JUSTED GROSS INCOME.—Section 62(a) of the Internal
23 Revenue Code of 1986 is amended by inserting after para-
24 graph (17) the following:

1 “(18) HIGHER EDUCATION EXPENSES.—The
2 deduction allowed by section 222.”.

3 (c) CONFORMING AMENDMENT.—The table of sec-
4 tions for part VII of subchapter B of chapter 1 of the
5 Internal Revenue Code of 1986 is amended by striking the
6 item relating to section 222 and inserting the following:

 “Sec. 222. Higher education expenses.

 “Sec. 223. Cross reference.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to payments made in taxable years
9 beginning after December 31, 2001.

